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PRC Threatens To Boycott South Pacific Forum

BK1207055292 Hong Kong AFP in English 0534 GMT 12 Jul 92

[By Jack Taylor]

[Text] Honiara, July 12 (AFP)—Beijing has threatened to boycott the 1993 South Pacific Forum after this year's meeting gave Taiwan almost identical dialogue partner status as China.

Forum sources said here Sunday that China's Vice Foreign Minister Liu Huaqiu warned Friday a boycott was an option unless the grouping reconsidered the wording in its final communique, which referred to Taiwan as Taiwan/Republic of China.

Taiwan has been bidding for years for acceptance as a dialogue partner at the Forum, but its application has been blocked by China and Pacific countries with which Beijing has close ties, such as Papua New Guinea and Vanuatu.

China insists countries with which it has diplomatic relations should accept its one-China policy, excluding the possibility of official relations with the Taiwan.

Dialogue partners—including Britain, France, Japan, the United States and China—are aid donors with significant interests in the Pacific.

At this year's meeting, four small Pacific countries that have diplomatic relations with Taiwan—led by Nauru—convinced the other 11 South Pacific Forum nations that it was in their best interests to accept Taipei.

They did so in defiance of China's previous threats to withdraw from the Forum if Taiwan were accepted.

The Forum, announcing its decision to give Taiwan full dialogue partnership, said it had done so because it would no longer be dictated to by outside countries.

China's boycott threat in the Forum dialogue session Friday followed a speech in Chinese by Liu that led some reporters to believe Beijing had accepted the decision with magnanimity.

Liu warmly congratulated the Forum on its "positive results" and spoke highly of Beijing's South Pacific relationships.

He said China was still opposed to official exchanges between Taiwan and countries with which Beijing had diplomatic relations, but added he believed statesmen with vision would handle their relations with "the Taiwan province of China with prudence."

Translations handed out to the media Friday made no mention of the boycott threat.

Forum sources said Sunday that Liu's threat came after he finished reading the prepared speech and during subsequent Forum dialogue.

He then made it clear China still strongly objected to Taiwan being accepted with the title of Republic of China (ROC) and on virtually the same terms as Beijing. The only difference was that dialogue meetings with Taiwan would, as the communique stated, "be separate from the existing post-Forum dialogue."

The Forum source said, Liu "said one of the options under consideration if the wording of the communique was not changed, was to boycott next year's Forum dialogue."

It was not clear what the other options were.

"But the wording of the communique cannot be changed except by the Forum itself, and it finished on Thursday," the source said. "All forum delegates have gone home so we will just have to wait to see what China does."

In a speech to Forum delegations Wednesday, Taiwan's ambassador to the Solomon Islands William Chao said Taipei agreed there was only one China, of which Taiwan was a part.

In a brief history lesson, Chao said the ROC had been formed in 1911 by Sun Yat-sen, who had overthrown the Qing Dynasty.

It was the first republic in Asia, he said, adding that although its government had changed many times and it was forced off the mainland by the communists in 1949, the national designation had never changed.

Taiwan Reiterates Claim Over Island Groups

OW0207221092 Taipei CNA in English 1534 GMT 2 Jul 92

[Text] Yogyakarta, July 2 (CNA)—A Republic of China [ROC] scholar reiterated here Thursday the ROC's sovereignty over Spratly, Paracel and other islands in the South China Sea.

Dr. Kuen-chen Fu, associate professor of law of National Taiwan University, was speaking at the third workshop on managing potential conflicts in the South China Sea, which ended here Thursday after four days of meetings. Fu was a member of the ROC delegation to the meeting.

Reading a prepared statement, Dr. Fu said: "The Nansha (Spratly) Islands, like the Hsisha [Xishas] (Paracel) islands, the Chungsa Islands (Maccles Field Bank) and the Tungsha (Pratas) Islands, are part of the traditional territories of the Republic of China, whether in theory and law, historically, geographically and in reality."

"Its sovereignty undoubtedly belongs to the Republic of China," he added. "No country or countries or civilian group or groups can claim or occupy these islands for any reason whatsoever."

Other speakers at Thursday's meeting, in which participants discussed the topic of "Spratly and Paracel issue," included delegates from Vietnam, the Philippines and Mainland China.

Japan

G-7 Treatment of Kurils Dispute Assessed

OW0907025092 Tokyo KYODO in English 0143 GMT 9 Jul 92

["News analysis" by Shiro Yoneyama: "G-7 Summit a Success for Miyazawa's Strategy on N. Isles"]

[Text] Munich, July 9 KYODO—Prime Minister Kiichi Miyazawa can leave Munich on Thursday satisfied with the recognition by the Group of Seven (G-7) of a Japanese-Russian territorial dispute as a matter of shared concern. He must still be uncertain, however, about Japan's role in the post-cold war era.

Miyazawa did little more than exchange pleasantries with Russian President Boris Yeltsin when they met briefly before taking their seats for a postsummit lunch attended by the other G-7 leaders. Miyazawa and Yeltsin confirmed the Russian president's mid-September visit to Tokyo.

Throughout a 10-day trip which also took him to the United States and Britain, Miyazawa had repeated something that Yeltsin sympathizers in the West did not want to hear—that Yeltsin's Russia is still carrying on the "Stalinist vestige" by refusing to give up four small islands off Hokkaido. Miyazawa won a pledge of support in the dispute from U.S. President George Bush and received sympathetic hearings from Prime Ministers John Major of Britain, Brian Mulroney of Canada, and Giuliano Amato of Italy. German Chancellor Helmut Kohl and French President Francois Mitterrand have also expressed "understanding" of Miyazawa's explanation of the issue.

The result of his endeavors was the inclusion of a reference to the dispute in the G-7 political declaration, which said, "We welcome Russia's commitment to a foreign policy based on the principle of law and justice.

"We believe that this represents a basis for full normalization of the Russian-Japanese relationship through resolving the territorial issue."

But the wily Yeltsin appeared to outsmart Miyazawa by conferring with all G-7 leaders but Miyazawa and Amato ahead of the summit to assure them he is not an ordinary Russian.

"Communism has finished, I'm quite convinced of that," Yeltsin told reporters after his postsummit dialogue with the G-7 leaders. The Russian people, he said, "are paying a very, very high price for this transition from communism, from totalitarianism, to civilized world."

Yeltsin, warning that a failure of his reforms in Russia would have a worldwide effect, cajoled the G-7 leaders preoccupied with approaching elections and stagnant domestic economies into assisting his country. But Miyazawa, a 40-year veteran of Japanese politics, held out at the summit and later in the postsummit session, promising Yeltsin only a limited amount of technical and financial aid despite pleas for large-scale aid from Germany, the summit host.

Unlike most Japanese leaders before him, Miyazawa presented the case in English against the Russian occupation of the four islands, apparently making the case more convincing than before.

Miyazawa told Yeltsin in the postsummit interview with the G-7 leaders that Japan will pay its proper share in aiding Russia and ensuring the safety of Soviet-made nuclear power plants in Russia and Eastern Europe, a high-ranking Japanese official said. The official said Miyazawa made the remarks after Yeltsin opened his 45-minute presentation with a comment that Russo-Japanese relations are not as good as Russia's ties with other G-7 countries.

Some Japanese officials said they felt Miyazawa's emphasis on the territorial question was a calculated move on the part of the Miyazawa delegation to urge other G-7 leaders to pay more attention to the Asia-Pacific region. Miyazawa told other G-7 leaders in the course of the summit discussions that it is important to the entire world for Russia to become "a constructive partner in the Asia- Pacific region."

A top Miyazawa adviser said, "We have a feeling that time is approaching for Japan and Russia to solve the northern territories issue. This year is that important period."

Japanese, U.S. Business Leaders Begin Meeting

OW1207090892 Tokyo KYODO in English 0840 GMT 12 Jul 92

[Text] Tokyo, July 12 KYODO—Japanese and U.S. business leaders opened a three-day meeting in Tokyo on Sunday to discuss ways to redress the bilateral trade imbalance and protect the environment.

The occasion was the 29th annual Japan-U.S. Business Conference, a forum of business leaders for discussing economic and trade relations between the two countries.

The discussion at the opening-day session focused on technological and financial cooperation in preserving the global environment in the wake of the Earth Summit held in Brazil in June, conference officials said.

The symposium was followed by a welcome party for U.S. participants in the evening.

On Monday, former Japanese Prime Minister Yasuhiro Nakasone will address a plenary session, followed by keynote speeches by Hiraiwa Gaishi, chairman of the Federation of Economic Organizations (Keidanren), and James Houghton, chairman of Corning Inc., they said.

The Japanese and U.S. participants will then be divided into three groups to discuss global and bilateral problems, such as the role of Japan and the U.S. in the new world order, environmental protection, industrial cooperation, and aid to the Commonwealth of Independent States (CIS), the officials said.

The meeting is to end on Tuesday with the adoption of a joint communique.

The symposium saw a consensus on the promotion of Japan-U.S. technological cooperation in developing and recycling alternative fuel for automobiles.

Participants also agreed on the need to take measures on environmental protection before problems arise instead of after they occur at industrial sites. Now is the time steps should be taken, including improving production processes, they said.

The Japanese and U.S. participants also agreed on the need for technological assistance to developing nations to help create a better global environment.

Among eight panelists at the symposium was Robert C. Stempel, chairman of General Motors Corp., who called for the production of environmentally safe cars. He prefers electrically-driven motor vehicles.

Japanese panelist Yutaka Kume, chairman of Nissan Motor Co., urged more information exchanges between Japanese and U.S. technological experts.

Two panelists from the chemical industry—Toshiaki Yamaguchi, chairman of Tosoh Corp., and Earle H. Harbison, Jr., president of Monsanto Co.—reported at the symposium on cases of improvement in production process to prevent sources of pollution.

Address Easing Trade Disputes

OW1307053892 Tokyo KYODO in English 0531 GMT 13 Jul 92

[Text] Tokyo, July 13 KYODO—Japanese and American business leaders Monday came a step closer to redressing their nagging trade rows with the Japanese side vowing "every possible effort" to create a freer market.

Frustrated with Japan's resurging trade surplus and Americans' failure to penetrate its market, U.S. business officials repeatedly voiced calls for action from Tokyo, in their annual meeting with Japanese executives, to address their demands.

Their Japanese counterparts, in a bid to alleviate the increasingly tense bilateral relationship, promised their utmost effort to make the country's market open and fair to foreign imports.

At the 29th annual Japan-U.S. business conference meeting, John Marous, chairman of the U.S.-Japan Business Council, singled out market access and the bilateral trade imbalance as two chronic problems straining the bilateral partnership.

"Japan's markets must be completely open to world trade, services and investment. The world economy cannot wait any longer," he said in an opening speech to the three-day gathering.

Marous, former chairman of Westinghouse Electric Corp., also called for firmer commitments from the Tokyo government to "greatly reduce its trade surplus with the U.S. within an appropriately short period of time."

"Japan has world responsibilities, and a self-interest in living up to those responsibilities," he said.

While praising Japanese efforts over the recent years to more than double imports of U.S. products, he said, however, "much more needs to be done and done quickly."

In the subsequent key-note speech to the some 220 participants, Gaishi Hiraiwa, chairman of the powerful business lobby Federation of Economic Organizations (Keidanren), vowed Japan will take "every possible step" to ease the tensions.

The efforts, he said, will range from enhancement of market access to narrowing of price gaps at home and abroad to boosting competition in the market.

Yasuhiro Nakasone, former prime minister who was invited as a guest speaker, said, "trimming the country's trade surplus, which is set to top 100 billion dollars this year, is our priority and responsibility."

"We have to prove ourselves to be a mature capitalist country," he said.

Openness and transparency are the key catchwords for the future Japanese market, he said, adding that if those basic rules are firmly established, other traditional Japanese business practices will be accepted by U.S. friends as characteristics to be preserved.

Such a concessionary stance was not limited to the Japanese representatives.

J.R. Houghton, chairman of Corning Inc., while urging Japan to boost exports and stimulate the economy, said the task for shaving the bilateral gap is also challenged by the U.S. Government, which is required to "get its fiscal house in order" and increase savings.

"We are in this together. Together, we can succeed," he said, warning that failure to do so will create serious risk of unwanted government intervention, which "can be damaging to our long-term economic growth and to our bilateral relationship."

The Monday morning plenary session will be followed by group discussions, which will deal with such global and bilateral problems as the role of Japan and the U.S. in the new world order, environmental protection, industrial cooperation, and aid to the former Soviet states.

The conference is to conclude Tuesday with the adoption of a joint statement.

Clash Over Chips, Insurance Market

OW1307110492 Tokyo KYODO in English 1046 GMT 13 Jul 92

[Text] Tokyo, July 13 KYODO—Japanese and U.S. business executives were at loggerheads Monday over what the U.S. side perceives as exclusive Japanese markets for semiconductors and insurance.

The U.S. business leaders attacked Japan's half-hearted efforts to improve their access to semiconductor chip and insurance markets, but their Japanese counterparts parried by blaming the slumping economy for the slow progress.

Speaking at a group session of the annual Japan-U.S. Business Conference, Edmund J. Reilly, president of Digital Equipment-Japan, pressed Japanese businesses to do more to boost foreign access to their chip market.

U.S. chips are competitive enough, he said, suggesting that the problem of the lop-sided bilateral chip trade lies in the Japanese market, not the quality of U.S. products.

But the Japanese representatives contended that the flagging economy, and not their efforts, is responsible for the sluggish advance of U.S. chips.

They also said it now seems impossible for Japan to fulfill the 20 percent share target for foreign chips specified in a new Japan-U.S. chip pact that has been effective since last summer.

The U.S. delegation also voiced its displeasure with Japan's insurance market, particularly markets for corporate insurance and nonlife insurance.

Maurice R. Greenberg, chairman and chief executive officer of American International Group, Inc., pinpointed "keiretsu," Japan's traditional business groupings through interlocking shareholding, as impeding U.S. insurance firms' entry into Japan.

The Japanese team, however, disputed the charge, leaving the issue unresolved.

With regard to bilateral auto trade, Shoichiro Toyoda, president of Toyota Motor Corp., was confident that Japan can sufficiently increase its imports of U.S. cars and car parts to please American makers in line with the bilateral agreement reached during President George Bush's tour to Japan early this year.

But Robert C. Stempel, chairman and CEO of General Motors Corp., was not so optimistic, and pushed Japanese business leaders to urge the government to stimulate the economy and thus boost Japan's appetite for imports.

Budding concerns over Japanese economic health among U.S. business leaders were also witnessed when one American official, in a separate group session, proposed that a planned joint statement, to be released Tuesday at the close of the three-day conference, touch on their expectations for Tokyo's extra economy boosting measures.

The U.S. business circles are concerned that a protracted weakness of the Japanese economy will continue to fuel Japanese exports and dampen imports, thus contributing to a further widening of the bilateral gap.

Both sides also agreed to cooperate to help bring an early conclusion to the stalled Uruguay Round of multilateral trade talks, where failure could prompt the global economy to lapse into regionalism.

Some participants suggested the Japanese and U.S. private sectors jointly submit proposals to their governments to give a thrust to the talks, stalled mainly by discord over farm trade.

'Record' First Half Trade Surplus Reported

OW1307090692 Tokyo KYODO in English 0837 GMT 13 Jul 92

[Text] Tokyo, July 13 KYODO—Japan's merchandize trade surplus in June rose a brisk 24.1 percent from a year earlier, bringing the black-ink figure for the first half of 1992 to a record high, the Ministry of Finance (MOF) said Monday.

The June trade surplus on a customs-clearance basis surged to 8,971.7 million dollars, the largest reading for June, the MOF said.

Exports perked up 10.5 percent to 28,091.2 million dollars, while imports gained 5.1 percent to 19,119.5 million dollars.

The surplus for the first six months of 1992 amounted to 49,033.3 million dollars, up 52.4 percent over the same period of 1991 and the largest for any half.

Exports during the period posted a robust 8.6 percent gain to 163,278.4 million dollars, while imports fell 3.3 percent to 114,245.1 million dollars, the MOF said.

Masaru Takagi, chief economist at Fuji Research Institute, said the trade surplus is now certain to balloon to a record high figure this year.

"The picture has not changed at all since last year. Weak domestic demand is keeping a lid on imports, while some sectors are trying to export their way out of the recession," he said.

Takagi pointed out that the volume of exports of steel, computers, and computer chips are rising markedly amid sluggish domestic demand.

"Although they (Japanese companies) are not dumping in overseas markets, it is clear that they are seeking markets outside Japan," he said.

Takagi therefore called for the early drafting of a supplementary budget that would help boost domestic demand.

"The government should start discussing the extra budget in an extraordinary Diet meeting expected to be held immediately after the upper house election on July 26," he said.

In June, Japan's surplus with the United States surged 18.7 percent to 3,139.7 million dollars, while that with the European Community (EC) picked up 11.8 percent to 2,633.3 million dollars.

The surplus with Asia rose 18.5 percent to 4,039.5 million dollars.

Especially strong were exports of autos, to the EC and Asia in particular, car components and computers, to the U.S. and EC, and computer chips to Asia.

Imports increased moderately in June after a decline in May, buoyed mainly by imports of crude oil, autos, clothes, and meat.

For the first half of 1992, the surplus with the U.S. grew 17.0 percent to 18,589.6 million dollars.

The surplus with the EC increased 15.3 percent to a record 16,608.2 million dollars, while that with Asia expanded a sharp 26.1 percent to 18,281.8 million dollars, also a record.

Exports during the six months were driven by shipments of cars to the EC and Asia, computer chips to Asia, computers to the U.S. and EC, and ships to the EC in particular.

Imports of crude oil were weak in the first half primarily due to the decline of oil prices, falling 10.7 percent in dollar terms despite a 2.6 percent rise in volume terms.

Also soft were imports of oil products and steel.

Surplus 'Not Likely To Continue'

OW1307113192 Tokyo KYODO in English 1118 GMT 13 Jul 92

[Text] Tokyo, July 13 KYODO—A top Ministry of Finance (MOF) official said Monday the recent growth in Japan's trade surplus is not likely to continue, denying that the imbalance is structural.

The official, who requested anonymity, said the recent growth in Japan's trade surplus partly stemmed from expanded production by Japanese manufacturers abroad.

The worsening trade surplus figures partly reflect the increasing number of Japanese exports of components to so-called "transplants" of Japanese makers overseas, the official said.

The MOF reported earlier in the day that Japan's trade surplus hit a record high of 49 billion dollars in the first half of 1992.

"I don't think that Japan's trade surplus will keep growing structurally," the official said, while admitting his concern that the new figures will grab headlines.

The official stressed the importance of increasing Japan's imvorts, saying, "We should steer the Japanese economy into a direction of growth with larger imports."

Turning to the stock market, where the benchmark Nikkei Index closed Monday above the 17,000-yen level for the first time in a month, the official said "conditions are falling into place" for a major upturn in the market.

Kunadze Remark About Territories Issue Viewed

OW1107150292 Tokyo KYODO in English 1450 GMT 11 Jul 92

[Text] Moscow, July 11 KYODO—A Russo-Japanese peace treaty should incorporate a 1956 provision for Russia's return of two of four disputed islands to Japan, a senior Russian official said Saturday.

Russian Vice Foreign Minister Georgiy Kunadze's comment, reported by the ITAR-TASS News Agency, was the first call by a high-ranking Russian official to refer to the 1956 joint declaration in a peace treaty being worked on by the two countries.

His comment, ahead of bilateral talks in Tokyo next week, seems to signal Russia's desire for progress on the territorial dispute, which has hobbled bilateral relations since the end of the World War II, before Russian President Boris Yeltsin's scheduled visit to Japan in mid-September, political analysts said.

The working-level talks in Tokyo Wednesday and Thursday are to discuss the territorial dispute and prepare for a peace treaty.

Tokyo has refused to agree to such a treaty or provide full-scale financial assistance to Moscow, demanding the return of the four islands off Hokkaido seized by the Soviet Red Army at the closing days of World War II.

Under the 1956 Joint Declaration Russia pledged to return Shikotan Island and the Habomai Group of islets to Japan following the conclusion of a peace treaty.

Kunadze denied in the interview that the economically strapped Russian Government was cutting a deal with Japan behind the scenes to get aid in return for territorial concessions.

Kunadze said the former Soviet Government might have tried such a deal but that Russia would resolve the bilateral problem through the principle of "openness".

Yeltsin has repeatedly said Russia's foreign policy is based on "law and justice" but has not shown how it will apply such a principle to the dispute with Japan.

The so-called Group of Seven (G-7) major industrial nations, in their just-ended summit meeting in Munich, used Yeltsin's own term in singling out the Russo-Japanese dispute as a matter of shared concern, calling for the dispute's resolution in a political declaration.

Kunadze said the the two countries should settle the bilateral dispute by themselves, opposing the idea of discussing it with other nations.

He also noted that parliamentary ratification is necessary on a peace treaty.

Group Leaves on 2d Visa-Free Visit to Kunashiri

OW1107032392 Tokyo KYODO in English 0305 GMT 11 Jul 92

[Text] Nemuro, Hokkaido, July 11 KYODO—A group of 45 Japanese embarked Saturday morning on a three-day, visa-free trip to Kunashiri Island, one of four Russian-held islands off Japan's northernmost main island Hokkaido.

The group, including 23 former residents of the island, left Hanasaki Port in Nemuro, the easternmost port of Hokkaido, aboard the 352-ton cruiser Coral White.

It is the second visa-free trip to be undertaken by Japanese nationals to the islands since the first group of 45 Japanese visited three of the four islands in May.

The mutual visa-free visits were made possible by an October 1991 agreement reached by the Japanese and former Soviet Governments.

Under the agreement, Japanese and Russians paying such visits to each other's country are only required to carry identification documents issued by their respective governments.

The group is scheduled to arrive off Kunashiri on Saturday evening. While on board the vessel, group members will hold talks with Russian officials, including M.I. Tereshko, chairman of the south Kuril region.

The following day they will land on Yuzhono-Kurilsk, known in Japan as Furukamappu.

The visitors, including officials from the Hokkaido prefectural government and reporters, will also have meetings with Russian residents of the island.

They will return to Hanasaki Port on Monday.

The four Russian-held islands, known in Japan as the northern territories, lie east of Hokkaido and are visible from the tip of the Nemuro Peninsula. The islands—Shikotan, Etorofu, Kunashiri, and the Habomai group of islets—were seized by the former Soviet Union at the end of World War II.

On Tuesday, another group of 45 Japanese will make a similar three-day trip to Shikotan, while another 43 will visit Etorofu on July 17-20. The Habomai group is uninhabited.

The 133 Japanese visitors making up the three groups include 73 former residents of the islands, officials said. In May, the group of 45 Japanese made the first visa-free visit to three of the four islands. Russian residents on the islands also visited Hokkaido without visas in June.

Ex-Im Bank To Disburse Loans to Russia in Aug

OW1007151692 Tokyo KYODO in English 1319 GMT 10 Jul 92

[Text] Tokyo, July 10 KYODO—The Japanese Government will disburse 100 million dollars in loans from the Export and Import Bank of Japan to Russia in August, officials said Friday.

Japan will extend the credit to the Russian Bank of Foreign Economic Affairs (Vneshnebank) under a decision reached in December 1990 by the Japanese Government to help finance Soviet emergency purchases of foodstuffs, the officials said.

The government will also let Russia use the money for medicines, cigarette filters, and other goods in response to its request, they said.

It will be the first Japanese Government loan to Russia this year although Japan gave 50 million dollars worth of food and medicines earlier in the year.

The officials said the government agreed on the loan as a receiver bank has been chosen and in light of a commitment by leaders of seven major industrial countries this week to disburse 100 million dollars in aid next month to Russia as part of a 24 billion dollar aid package.

They also noted that Russian President Boris Yeltsin is scheduled to visit Japan in September.

Japan last October also decided to extend 2.5 billion dollars in additional loans to Russia. Details of those loans will be worked out as soon as possible after the extension of 100 million dollar initial credit, the officials said.

Emperor 'Likely' To Visit PRC in Late Oct

OW1207115392 Tokyo KYODO in English 1134 GMT 12 Jul 92

[Text] Tokyo, July 12 KYODO—Japanese Emperor Akihito and Empress Michiko are likely to visit China in late October to commemorate the 20th anniversary of the two countries' normalization of diplomatic relations, government sources said Sunday.

The government is planning to announce the itinerary officially at the end of this month or by mid-August, following the July 26 House of Councillors election, the sources said.

The imperial couple are most likely to stay in Beijing and one or two local cities for five nights and six days some time between October 20, the birthday of Empress Michiko, and October 31, the sources said.

Before making the final decision, Prime Minister Kiichi Miyazawa hopes to get approval from some ruling Liberal Democratic Party (LDP) members who have repeatedly expressed concern over the emperor's visit, the sources said.

The government's view is that there will be no other chance for the emperor to visit China if he misses the 20th anniversary of diplomatic normalization, the sources said.

Also, if Japan turns down China's request for the emperor to visit to symbolize the friendly ties between the two nations, it might jeopardize bilateral relations, they said.

The government says that popular support in Japan for the visit, as seen in some public opinion polls, also helped laying the ground for the trip, the sources said.

Despite China's request, some LDP hard-liners have called for caution from the government in approving an imperial visit, citing the existence of several unsettled bilateral disputes.

Among them are China's renewed territorial claim in February to the Senkaku Islands in the East China Sea, over which Japan and Taiwan are also claiming sovereignty, and compensation demands by Chinese civilians for damage inflicted by the Japanese Imperial Army during World War II.

The sources said, however, that Japanese Ambassador to China Hiroshi Hashimoto, who returned to Japan temporarily at the end of June, persuaded LDP leaders to try to get the hard-liners to tone down their opposition.

China's restraint over Japan's newly enacted U.N. Peacekeeping Operations Cooperation Bill, which allows Self-Defense Forces personnel to join in overseas U.N. activities for the first time since the end of World War II, has also helped subdue the hardliners, the sources said.

The government is planning to fix the final date in late October, or possibly mid-October, because a visit on September 29, the day of the 20th anniversary, might cause criticism that the emperor's visit is being used for political purposes, the sources said.

The visit, if realized, will be the first overseas trip for the emperor and empress since they visited Thailand, Malaysia and Indonesia in September and October 1991.

The government has set the deadline for an announcement of the China visit at mid-August due mainly to reasons of preparation and security, they said.

Chinese Premier Li Peng asked Emperor Akihito and Empress Michiko to visit China when he came to Japan in April 1989.

The government had planned to express its wish to accept when Chinese Communist Party general secretary Jiang Zemin renewed the invitation for the imperial visit before the end of 1992 when he met Miyazawa in April in Tokyo.

However, increasing opposition within the LDP has prevented Miyazawa from giving the go-ahead for the visit.

Condolences Sent to PRC on Deng Yingchao Death

OW1107150792 Tokyo KYODO in English 1300 GMT 11 Jul 92

[Text] Tokyo, July 11 KYODO—Japan's Acting Foreign Minister, Koichi Kato, sent the country's condolences to China over the death Saturday of Deng Yingchao, widow of former Chinese Premier Zhou Enlai.

"It is widely known that she did much to help her husband, the late Premier Zhou Enlai, for many years and she has been loved and respected by many people," said Kato, the chief cabinet secretary.

Deng, who died Saturday morning of unspecified causes at age 88, also greatly contributed to friendly Sino-Japanese relations as an adviser for a conference of private citizens in a 1979 trip to Japan, Kato said.

He said Deng received many Japanese who visited China to promote bilateral relations.

She was not related to senior Chinese leader Deng Xiaoping.

PRC Students Disappear From Hiroshima School

OW0907085292 Tokyo KYODO in English 0835 GMT 9 Jul 92

[Text] Hiroshima, July 9 KYODO—Eleven Chinese students of a Japanese language school in Hiroshima have disappeared, school officials learned Thursday.

Seven of the students, who were attending the Joge Japanese Language Academy in the town of Joge, about 60 kilometers northeast of Hiroshima, left their dormitory earlier this week and never returned.

Four other students told school authorities they wished to return to China. Although the school chairman returned the students their passports and took them to Osaka Port, it appears that they never left the country.

Officials from Joge and the Hiroshima Immigration Bureau suspect that the students may have enrolled in the school so that they could later work illegally in Japan.

The students, 10 men and one woman, are between 20 and 30 years of age. They come from Jilin Province in northern China.

Firm To Produce Cameras, Recorders in PRC

OW0907083892 Tokyo KYODO in English 0712 GMT 9 Jul 92

[Text] Tokyo, July 9 KYODO—Olympus Optical Co., a leading precision machinery maker, will build a new plant in the Shenzhen Special Economic Zone in China to produce cameras and microcassette tape recorders, the company reported Thursday.

The move will mark the first full commitment by the company to the Chinese market, where it has so far commissioned local firms to produce those products.

The new plant, which cost [number indistinct] dollars, is scheduled to open in July next year. Olympus (Shenzhen) Industrial Ltd., a wholly owned subsidiary of Olympus Hong Kong Ltd. is in charge of the operation.

The 9,200 square meter factory, employing 500 workers, will manufacture cameras, cassette recorders, and other products with a monthly output rate for cameras at 50,000 units per month.

Production capacity will be gradually boosted. Annually by 1995, the company estimates that 1.6 million cameras and one million microcassette recorders will be produced at the factory, and the work force will number some 1,500.

Firm To Provide Consulting Service to Mongolia

OW0907114792 Tokyo KYODO in English 1013 GMT 9 Jul 92

[Text] Tokyo, July 9 KYODO—KEC Engineering and Consulting Inc., a subsidiary of Japan's Kokusai Denshin Denwa Co. (KDD), said Thursday it will provide consulting services to improve satellite communications in Mongolia.

KEC will provide consulting services for a project which calls for installing a digital telephone exchange in Ulaanbaatar, company officials said.

The project also includes construction of an earth-bound microwave transmission line that connects an intelsat satellite with the Ulaanbaatar telephone exchange, company officials said.

The project is expected to be completed in 1993, they said.

The company will provide various services including the preparation of bidding specifications for facilities, supervision of installation work, and a facility acceptance test.

Tokyo Offers Aid to Yugoslav Refugees

OW0907085092 Tokyo KYODO in English 0834 GMT 09 Jul 92

[Text] Tokyo, July 9 KYODO—Japan will provide 1 million dollars in aid for refugees fleeing ethnic warfare in the former Yugoslav republics, the Foreign Ministry said Thursday.

The funds represent a fraction of the 174 million dollars sought last May by the Office of the U.N. Secretary General.

Officials said the funds will be channeled to the U.N. High Commissioner for Refugees (UNHCR) to help finance its efforts to provide the refugees with food and medical needs.

Last December, the U.N. Secretariat appealed for 24.3 million dollars in assistance for refugee relief efforts in the region. That figure was revised upward last May to 174 million dollars.

In March, Japan pledged 400,000 dollars toward the first U.N. appeal, followed in June by a contribution to the International Committee of the Red Cross (ICORC) of 600,000 Swiss francs or about 400,000 dollars.

On Wednesday, Japan offered 50,000 dollars to the International Organization for Migration (IOM) for refugee relief efforts in the region.

The new funds thus bring Japan's total contribution so far to some 1.85 million dollars or just over 1 percent of the total funds now requested by the U.N.

Ethnic warfare in the former Yugoslav republics has driven some 1.7 million people from their homes, creating the largest refugee crisis in Europe since World War II.

Group Proposes Promoting Sea of Japan Economies

OW1007092792 Tokyo KYODO in English 0817 GMT 10 Jul 92

[Text] Tokyo, July 10 KYODO—Japan should promote the regional economies of the countries bordering the Sea of Japan as a new, promising era dawns for the area, a study group said in a report Friday.

The group, at the request of the Economic Planning Agency, studied ways to develop the economies of the regions and countries around the Sea of Japan. They consist of the Russian Far East, three northeastern provinces in China, North and South Korea, and the relevant coastal areas in Japan.

In the envisioned commerce around the Sea of Japan, Japan is expected to offer a market, funds, and technology or know-how, while other nations could provide natural resources, energy, land, and work force, the report said.

An open regional economic circle around the rim of the Sea of Japan would have favorable effects on Japan's economy because it will help secure peace and stable supply of resources and energy, it said.

It will also contribute to developing local economies involved, and ensuring balanced nationwide development, the report said.

The report, compiled by an eight-member group headed by Hisao Kanamori, chairman of the Japan Economic

Research Center, said Japan could help activate the global economy through promoting dynamism in the Sea of Japan economic circle.

To this end, it made several proposals, including improving infrastructure such as airports and harbors in cities on the Japan sea coast to promote contacts with countries on the opposite side of the sea.

The report also proposed the setting up of a national research institute as a base for international exchanges to strengthen the function of research and information processing in the area.

Moreover, it advocated establishing a multilateral forum among countries involved for regular exchanges of views.

The proposed forum is similar to the Pacific Economic Cooperation Conference (PECC), and consisting of government, industry, and academic circles, the report said.

Tokyo To Contribute Aid for Cambodian Efforts

OW1007082592 Tokyo KYODO in English 0737 GMT 10 Jul 92

[Text] Tokyo, July 10 KYODO—Japan will contribute 6.7 million dollars to international organizations for their efforts in Cambodia, a Foreign Ministry spokesman said Friday.

Spokesman Sadaaki Numata told reporters Japan is making the new commitment in view of the seriousness of the situation in war-torn Cambodia and the plight of refugees across the border in Thailand.

Japan will contribute 3 million dollars to the United Nations border relief operation for relief activities for displaced Cambodians in Thai refugee camps.

Another 2.7 million dollars will go to the Cambodian humanitarian program of the International Committee of the Red Cross.

Japan will extend 500,000 dollars to the International Organization for Migration for a program to persuade Cambodians with special skills to return and help rebuild their country.

Some 500,000 dollars will fund education activities of U.N. volunteers and support other volunteers under U.N. humanitarian organizations.

The new contributions will be in addition to the 150 million to 200 million dollars in aid for Cambodia's short-term rehabilitation that Japan announced last month.

Miyazawa Nixes Review of UN Peacekeeping Law

OW1207055592 Tokyo KYODO in English 0548 GMT 12 Jul 92

[Text] Urawa, July 12 KYODO—Prime Minister Kiichi Miyazawa said Sunday he will not call for a review of the new United Nations Peacekeeping Cooperation Law after the July 26 House of Councillors election.

"I have no intention of reviewing the law after the election," Miyazawa said at a press conference in Urawa, some 20 kilometers north of Tokyo, during a campaign stop for a ruling Liberal Democratic Party (LDP) candidate.

The law, authorizing the participation of the Self-Defense Forces (SDF) in U.N. peacekeeping missions abroad, is a prime issue in the election campaign which started on July 8.

The Peacekeeping Cooperation Bill was passed last month with the backing of the ruling LDP, along with the centrist opposition Komeito and the Democratic Socialist Party.

The largest opposition force, the Social Democratic Party, joined with the Japanese Communist Party and minor opposition groups to resist the legislation. They charged that sending SDF personnel overseas would violate Japan's war-renouncing Constitution.

Recent mass-media polls show the public remains divided over the law.

Meanwhile, Miyazawa said he thinks Japanese should join U.N. peacekeepers in Cambodia as soon as possible if there are no problems.

Miyazawa, however, added that the cooperation of the Khmer Rouge in the peace process is uncertain. The Khmer Rouge, the strongest among the four feuding factions in Cambodia, has refused to disarm in defiance of the U.N.-mediated peace agreement reached in Paris last October.

Miyazawa's comments is an indication that the government may await further developments before deciding on the dispatch of Japanese peacekeepers to Cambodia.

Yasushi Akashi, head of the United Nations Transitional Authority in Cambodia (UNTAC), has expressed his hope that Japan will send the peacekeeping group to the war-devastated country in early October.

LDP 'Likely' To Gain 64 Upper House Seats

OW1207133592 Tokyo KYODO in English 1221 GMT 12 Jul 92

[Text] Tokyo, July 12 KYODO—The ruling Liberal Democratic Party (LDP) is likely to win at least 64 of the 127 House of Councillor's seats at stake in the July 26 election, according to a KYODO News Service prediction released Sunday amid election campaigning.

The No.1 opposition Social Democratic Party (SDP) seems set to gain more than the 22 party seats which are up for reelection out of its upper house total of 69, according to the KYODO estimate.

It also predicted that the two centrist parties, Komeito and the Democratic Socialist Party, and the Japanese

Communist Party may fail to maintain their current strengths in the upper house.

The ruling party, which has 75 seats up for reelection, is fielding a total of 82 candidates in the contest, of whom 55 are standing in prefectural constituencies.

In the previous upper house election in 1989, the LDP suffered a huge setback as it won only in three out of 26 single-seat constituencies.

But this time the LDP seems to be campaigning successfully in most of the 26 single-seat prefectural constituencies except for Miyagi, Yamanashi, Shiga, Nara, Nagasaki, Oita, and Okinawa Prefectures, KYODO's survey said.

In all 21 multiple-seat constituencies, the LDP is likely to win at least one seat, and may also get two seats in six multiple-seat constituencies in Hokkaido, Tochigi, Gunma, Saitama, Tokyo and Fukuoka Prefectures, it said.

The LDP is likely to gain as many as 20 seats or more under the proportional representation system, the survey said.

The upper house election is divided into a prefectural constituency system and a proportional representation system.

A total of 77 prefectural constituency seats will be contested, along with 50 on the basis of proportional representation.

As many as 641 candidates are vying for half of the upper chamber's 252 seats in the election.

The SDP is running a record low number of 18 candidates in prefectural contests.

The SDP is likely to share seats with the LDP in eight double-seat constituencies in Ibaraki, Chiba, Kanagawa, Niigata, Shizuoka, Nagano, Okayama, and Kagoshima, the survey said.

The SDP may also secure a seat in Saitama and Fukuoka, it added. The leading opposition party is aiming to win two seats in the four-seat constituency of Hokkaido. The survey predicts the SDP may get 12-13 seats under the proportional representation system.

The Rengo-no-Kai, the political wing of the 8-million-strong Japanese trade union confederation (Rengo), is offering 22 candidates, including 15 candidates in single-seat constituencies.

But the Rengo-no-Kai is successfully campaigning only in three multi-seat constituencies in Fukushima, Tokyo, and Hiroshima, the survey showed.

In single-seat constituencies, Rengo-no-Kai is fighting against heavy odds and is not yet certain of securing any seats, the survey said.

Komeito has a difficult task to maintain its 10 seats up for reelection this time, the survey said.

Among dozens of mini political parties, the New Japan Party founded by Morihiro Hosokawa, former governor of Kumamoto Prefecture, may win more than two seats, the survey showed.

The election is the first national poll since Prime Minister Kiichi Miyazawa took office last November.

The LDP currently holds 114 seats in the upper house—13 short of a simple majority—the SDP 69, Komeito 20, the JCP 14, the DSP eight, and Rengo-Sangiin, a parliamentary group affiliated with Rengo, 13.

The LDP cannot regain a majority in the upper chamber even if all its 82 candidates win.

Miyazawa's Leadership Urged in Reform Efforts

OW0907114992 Tokyo KYODO in English 1037 GMT 9 Jul 92

[Text] Tokyo, July 9 KYODO—The head of a government advisory group and leaders of the Federation of Economic Organizations (Keidanren) agreed Thursday that Prime Minister Kiichi Miyazawa should take the leadership in promoting Japanese administrative reform, officials said.

They said the agreement came during a meeting between Eiji Suzuki, chairman of the Special Advisory Council on Enforcement of Administrative Reform, and Keidanren leaders, including Chairman Gaishi Hiraiwa.

The officials said Keidanren executives told the meeting that follow-up action is necessary on the council-proposed relaxation of government restrictions and that legislation setting clear standards for administrative guidance should be passed by the extraordinary Diet session scheduled for October.

Suzuki said politicians should take the leadership in pushing administrative reform and the business community should assist the reform efforts.

Paper Urges Recruiting Young Civil Servants

OW1007025092 Tokyo KYODO in English 0205 GMT 10 Jul 92

[Text] Tokyo, July 10 KYODO—The National Personnel Authority on Friday called for further efforts to secure talented young people as national civil servants in the face of severe competition from the private sector.

The call came in an annual white paper on national civil servants submitted to the cabinet and the Diet the same day.

The authority said the people's demand on administrative services has become diversified and complicated because of the coming of an aging society, changes of outlook and life-style, and Japan's enhanced role in the international community.

The paper said it is crucial to keep on recruiting capable young people to meet these diversified demands on the administration. To this end, it stressed the need to improve working conditions in the areas of salary, working hours, and holidays.

As to recruiting young persons, the paper predicts that rivalry with the private sector will intensify in future, noting that the number of 18-year-old people will decrease by 15 percent in 2001 from the current level due to the falling birthrate.

Nevertheless, the paper said, the number of applicants for public service tests in fiscal 1991 decreased by only 0.2 percentage points from the previous year to some 187,000.

The paper also said the ratio of women who passed the test for top-level national civil servants surpassed 10 percent for the first time in 1991, at 10.1 percent.

Construction Paper Urges Provincial Growth

OW1007025392 Tokyo KYODO in English 0154 GMT 10 Jul 92

[Text] Tokyo, July 10 KYODO—Provincial cities should be upgraded as a matter of urgency to attract young people and achieve local prosperity, according to a white paper released Friday by the Construction Ministry.

The "White Paper on Current Situations of National Land Construction" for fiscal 1992 says the movement of young people influences demographic changes in provincial areas. The white paper used the 1990 national census as a reference.

While the massive outflow of people aged between 19 and 21 pushes down the population, the return of those aged between 24 and 26 contributes to edging up the population in depopulated areas, the paper says.

To stem the outflow of young people and enhance provincial prosperity, the paper calls for the importance of creating "core cities" that can accumulate goods, money, and information.

Young people seek employment in areas with strong economic activity, the paper says, noting that university graduates are more likely to obtain jobs than high school graduates in the three major urban areas of Tokyo, Osaka, and Nagoya, which are fully equipped with industrial infrastructures.

In some prefectures, on the other hand, about 30 to 40 percent of the graduates of universities in other prefectures return to their hometowns, the paper shows.

The paper concludes that less-than-commercially-oriented areas can attract young people if they are developed along with their neighboring "core cities."

Specifically, the paper calls for the construction of highways linking such cities and their vicinities to provide better access to a variety of goods and services.

It also notes the need to promote housing policies to provide more and better-equipped houses.

Foreigners Continue To Buy Japanese Stocks

OW0807124792 Tokyo KYODO in English 0917 GMT 8 Jul 92

[Text] Tokyo, July 8 KYODO—Foreign investors continued as net buyers of Japanese equities in May for the 18th consecutive month, according to figures released Wednesday by the Finance Ministry.

Foreign investors bought a net 804 million U.S. dollars worth of Japanese stocks in May, down from April's 1,362 million dollars.

A ministry official said the development in the Tokyo stock market was "relatively steady" in May, pointing out that the Nikkei Stock Average index moved at the 18,000 level and daily trading volume averaged 310 million shares.

The amount of net buying shrank sharply from the previous month due mainly to massive volume of arbitrage selling and investors' wait-and-see stance amid a series of announcements of corporate earnings results for fiscal 1991 which ended March 31, he said.

Foreign investors also bought a net 442 million dollars worth of bonds in May, after selling a net 3,653 million dollars worth in April.

The official attributed the steady buying to stable bond market development owing to the yen's appreciation against the U.S. dollar.

Overall net securities purchase by foreign investors in May came to 1,246 million dollars, compared with net selling of 2,291 million dollars the previous month.

Meanwhile, Japanese investors were net sellers of foreign stocks in May by 479 million dollars.

The official said Japanese investors seemed to have placed sell orders in expectation that high stock prices both in New York and London might fall back, contributing to the selling.

They were net buyers, however, of 4,130 million dollars worth of foreign bonds, down from 4,885 million dollars the previous month.

Although investors in Japan took a generally cautious stance toward buying U.S. bonds, active Japanese investment in high-yielding bonds issued in the Europe and in eurobonds helped boost overall Japanese net purchases of foreign bonds.

An economist at a leading securities firm said the Tokyo Stock Exchange last week released figures showing foreign investors had turned net sellers of Japanese stocks in June for the first time since October 1990.

Although foreign investors had believed Japanese stocks were a "bargain" for more than a year, they turned to selling stocks out of growing concern over Japan's slowing economy and the prolonged dismal performance in the stock market, with the Nikkei average fluctuating in the lower half of the 16,000 level, he said.

The Finance Ministry should also release June figures showing that foreign investors would remain net sellers of Japanese stocks, he added.

Underneath is the balance of securities investments in million of dollars for May 1992, released Wednesday by the Finance Ministry:

Foreign Investments in Japan

	purchase	sales	net
stocks	7,642	6,838	804
bonds	9,577	9,135	442
total	—	—	1,246

Japanese investments abroad

	purchase	sales	net
stocks	3,122	3,600	-479
bonds	72,863	68,733	4,130
total	—	—	3,651

Note: 1. Bond investments exclude short-term securities.

2. The figures are different from those based on the balance of international payments.

'Top' Finance Official Skeptical About Tax Cuts

OW1007152792 Tokyo KYODO in English 0938 GMT 10 Jul 92

[Text] Tokyo, July 10 KYODO—A tax cut to boost the economy is a leisure Japan cannot afford due to the current fiscal squeeze, a top Finance Ministry official said Friday.

The government should not decide on additional steps to stimulate the economy until it has enough data to make such a decision, said Mamoru Ozaki, vice finance minister.

"Fiscal conditions show that we are not in such a happy state that we may contemplate tax cuts," Ozaki told a press conference.

He was responding to a recent call by business leader Takeshi Nagano for 3 trillion yen in tax cuts to help get the sputtering economy on the path to recovery.

Nagano, chairman of the Japan Federation of Employers Associations (Nikkeiren), proposed financing the cuts in income, corporate, and other taxes by issuing deficit-covering bonds.

Ozaki also said it is uncertain whether the 1.5 trillion yen net budget surplus from fiscal 1991 can be tapped to finance an expected large-scale supplementary budget.

The massive budget surplus from the year ended March 31 was mainly due to the active land transactions toward the end of the period just before a change took effect on taxes on land-transfer profits.

The activity just before the end of fiscal 1991 is depressing tax revenues for the current fiscal year, Ozaki said, adding, "There are no bright factors on the tax revenue conditions now."

He also cited a fiscal rule that half the budget surplus should be carried over to finance redemption of government bonds in the following fiscal year.

Government Public Works Budget in Contract Noted

OW1307082192 Tokyo KYODO in English 0748 GMT 13 Jul 92

[Text] Tokyo, July 13 KYODO—Public works projects to be financed through the fiscal 1992 government budget are being implemented smoothly, with 42.8 percent of the planned spending for the projects already in contract at the end of May, the Ministry of Finance (MOF) said Monday.

The MOF said the government had contracted 6,432 billion yen worth of public works by the end of May, or 42.8 percent of the planned 15,033 billion yen expenditure for fiscal 1992.

The amount of public works that had been put into effect by the end of May was up 15.7 percent from a year earlier, the MOF said.

The consumption ratio of 42.8 percent at the end of May was the highest such recording in the last five years when front-loading of public works spending was procured at the beginning of the fiscal year.

In fiscal 1987, for instance, when the government disbursed 80.1 percent of the year's public works expenditure in the first half, 38.7 percent was implemented at the end of May.

In the current fiscal year, the government has decided to front-load 75 percent of its public works spending programs to stimulate the economy.

Among local government-funded public works projects, those already contracted totaled 30.3 percent at the end of May.

Finance Minister Tsutomu Hata, reporting the results to the meeting of ministry officials monitoring the pace of implementation of the spending, said "the public works (projects) are being (carried out) smoothly by both the central and local governments," a MOF official said.

The official said, "we are expecting the effects (of the early disbursements of the public works projects) to be reflected in the coming economic indicators such as gross national product (GNP) data for the April-June quarter."

Economic Growth Target Said 'Pie in the Sky'

OW1007234192 Tokyo KYODO in English 2321 GMT 10 Jul 92

[Text] Tokyo, July 11 KYODO—As leading industrialized nations struggle to revitalize their economies, surplus-rich Japan might seem tailor-made to be a knight in shining armor, ready to save the world economy from ruin.

But amid the aftereffects of an era of frenetic speculative investment, Japan finds itself wading through an economic morass, calling into question whether it is cut out to play such a role.

The ruling Liberal Democratic Party (LDP) last month came up with an emergency package of 6 trillion to 7 trillion yen worth of measures to stimulate the economy.

But private analysts, except a few bullish economists, generally agree that even with the proposed measures, the government's target of 3.5 percent economic growth for the current fiscal year ending next March is a pie in the sky.

Atsushi Miyawaki, senior analyst at Japan Research Institute, doubts the package will have enough immediate effect to boost economic growth close to the official target, and says a persistent drive toward that goal could even distort the nation's economic flow.

Even if the package is implemented, Miyawaki says he is not sure Japan can "digest" such a dose of economic medicine within fiscal 1992.

Peter Morgan, chief economist of Merrill Lynch Japan Inc., projects the LDP package will boost Japan's gross national product (GNP) by just 3 trillion to 4 trillion yen.

Aside from a possible 2 trillion yen in public works spending, Morgan says, the nominal value of such measures as tax cuts and extensions of soft loans will not necessarily boost overall spending by an equivalent amount.

Even with the package, and even technically speaking, Japan's economy cannot achieve the targeted 3.5 percent growth, he says.

Prime Minister Kiichi Miyazawa pledged in a meeting this month with U.S. President George Bush that the government will take necessary measures to carry out an official economic plan compiled last month that aims at 3.5 percent average annual economic growth for the next five years.

Morgan wants to see further lowering of interest rates to arrest a decline of asset values and revitalize consumer spending, which together with private capital spending comprises about 80 percent of Japan's GNP.

Many analysts expect the Bank of Japan to cut the official discount rate later this year after waiting to see the size of the supplementary budget, a pillar of the LDP pump-priming package, which is expected to pass the Diet in September or October.

Miyawaki agrees the rate should be cut, not just to rejuvenate the economy—though even then its effect might be limited—but to prevent corporate financial conditions from worsening, especially for small- and medium-sized companies.

Meanwhile, he predicts, the government may decide to ease taxes on investment in plant and equipment.

The LDP might start discussing the possibility later this month after July 26 elections for the House of Councillors.

Recently, Takeshi Nagano, president of the Japan Federation of Employers Associations, urged the government to cut taxes on income and private capital investment by 3 trillion yen.

Morgan agrees tax cuts would help stimulate torpid domestic demand.

Miyawaki says tax cuts could have a greater impact than lower interest rates but overall weak demand will likely limit the boost in private-sector capital spending and consumption caused by tax cuts.

So how can the government make up for a decline in revenue caused by tax cuts and, moreover, how will it raise funds for the 6 trillion yen package?

"They (the government) probably have enough financial measures up their sleeves" to avoid issuing deficit-financing bonds, Morgan says.

As for possible tax cuts, Miyawaki speculates the government could make do by cutting tax funds allocated to local governments, obtaining financing from social security funds. Or partly relying on contracts resulting in treasury obligations.

Despite reluctance by the Finance Ministry to launch new government debt to add to the 174 trillion yen in outstanding government bonds, Miyawaki predicts the issuance of construction bonds "is inevitable."

He points out that the roughly 1.5 trillion yen general-account budget surplus that can be rolled over from fiscal 1991 should contribute to funding the 6-7 trillion yen package.

But for the rest, the government will have to rely on issuing local government bonds and additional funds from its investment and loan program, he says.

The "zaito" fiscal loan and investment funds, mostly postal savings and pension funds, have come to be known as the second budget as they are now roughly half the size of the national budget.

Noting that zaito funds have ballooned as postal savings have become more attractive because commercial bank interest rates have fallen, economists say zaito funds could be used to extend soft loans to small- and medium-sized firms and housing loans.

At the end of 1991, postal savings amounted to 152.4 trillion yen. The balance of social security funds, mostly pension funds, is about 80 trillion yen.

Think Tanks Revise Economic Growth Forecasts

OW1107082592 Tokyo KYODO in English 0753 GMT 11 Jul 92

[Text] Tokyo, July 11 KYODO—Five of six major Japanese private think tanks have revised downward their projections of Japan's economic growth rate for fiscal 1992 ending next March 31, according to their latest forecasts made by Saturday.

No think tank expects Japan's gross national product (GNP) to surpass the government target of an inflation-adjusted 3.5 percent for the fiscal year.

The scaledown stems largely from a sharp decline in capital investment by corporations and sluggish consumer spending.

Most think tanks expect Japan's GNP—total output of goods and services—will grow somewhere between 2.3 and 2.9 percent in real terms for the fiscal year.

Even, Research Institute on the National Economy, widely known for its upbeat forecast, lowered its projection from 4.0 to 3.3 percent.

"Inventory reduction is dragging on longer than expected. In addition, the persistent slump in share prices has dampened industries' desire to carry out active capital investment," an institute official said,

Japan Research Institute slashed its consumer spending projection sharply to 2.5-3.3 percent from the earlier estimated 2.7-3.8 percent.

"Dismal corporate earnings will lead to lower personal income mainly from overtime payment," the institute's official said.

Most think tank analysts believe a large supplementary budget to be compiled by the government would boost public works spending starting later this year.

Such spending, combined with housing construction, is expected to underpin the nation's economic activity for the current fiscal year, they say.

The followings are six major research institutes' latest year-on-year growth rate projections of Japan's GNP, consumer spending, and capital investment for fiscal 1992, with their previous projection figures in parentheses.

	GNP	Consumer	Spending Capital Investment
Japan Research Institute	2.3	2.6	-1.6
	(2.9)	(3.4)	(1.6)
Fuji Research Institute	2.7	2.5	0.8
	(3.0)	(2.8)	(2.8)
Research Institute on National Economy	3.3	3.3	1.7
	(4.0)	(3.8)	(5.2)
Mitsubishi Research Institute	2.6	2.9	0.8
	(2.7)	(3.7)	(1.6)
Sakura Research Institute	2.9	2.5	0.4
	(3.0)	(3.1)	(3.3)
DKB Research Institute	2.3	2.5	-1.8
	(2.3)	(2.7)	(-0.1)

Experts Expect Future Electric Power Shortage

OW1007160892 Tokyo KYODO in English 1014 GMT 10 Jul 92

[Text] Tokyo, July 10 KYODO—About 80 percent of energy experts polled predicted Japan will face a shortage of electric power in the future, according to a survey released Friday.

Asked about the possibility of a future electrical supply shortage, 69 percent said one was "most likely." Another 7 percent said a shortage was "inevitable," while 21 percent replied "unlikely."

The survey was conducted by the Social and Economic Congress of Japan, which is comprised of representatives of industry as well as consumer groups and academics.

The results were based on a questionnaire sent to 2,100 energy experts, including executives of listed companies and labor unions, out of which 1,330 responded.

Ninety-two percent of the respondents said limited use of electricity at factories and offices would be the most serious result of a power shortage, according to the survey.

About 89 percent also cited limited use of air conditioners, while 71 percent expressed concern over possible limited use of electricity in households, the survey showed.

Meanwhile, only 34 percent forecast a suspension of automatic bank cash dispensers, while 25 percent predicted that power might be cut in entire cities, it said.

Regarding electric power sources, 42 percent advocated further construction of nuclear reactors, with 27 percent calling for additional thermal power plants, it said.

Another 32 percent opposed new reactors, while 49 percent were against additional thermal power units, it said.

About 19 percent wanted nuclear power facilities to be shut and 17 percent advocated the same for thermal power stations, it said.

The survey showed many preferred atomic power plants to thermal power stations as a future power source.

Tokyo Adopts Program To Cut Annual Work Hours

OW1007031392 Tokyo KYODO in English 0227 GMT 10 Jun 92

[Text] Tokyo, July 10 KYODO—The cabinet adopted a new five-year program Friday aimed at reducing annual working hours to 1,800 by the end of fiscal 1996, officials said.

They said the program calls for a revision of the labor standards law to shorten regulated weekly working hours from the present 44 to 40.

In order to make up for a loss of income resulting from shorter hours, the government will consider raising the minimum premium for overtime work, which is at present 25 percent, the officials said.

The officials said the program also calls for a review of the existing protective measures for women workers to bring them in line with the law on equal employment opportunities for men and women.

Regarding older workers, the officials said the government will urge employers to raise the minimum retirement age to 60 by the end of fiscal 1993, which starts next April 1, and formulate a system allowing workers who reach the retirement age to continue working until they reach 65, if they wish to do so.

The program was worked out on the basis of recommendations made to Labor Minister Tetsuo Kondo on June 29 by the Employment Council, a Labor Ministry advisory panel.

Japanese workers currently work for an average of over 2,000 hours a year, some 400 hours more than in most other industrialized countries.

MITI To Hold Import Promotion Ideas Contest

OW0907082292 Tokyo KYODO in English 0808 GMT 9 Jul 92

[Text] Tokyo, July 9 KYODO—The Ministry of International Trade and Industry (MITI) will hold a prize contest for ideas to promote imports ahead of the import expansion month in October, ministry officials said Thursday.

This year will mark the 10th anniversary of the special month, which was introduced in 1983 to call on the entire public to buy more imports, the officials said.

The contest for ideas or proposals on what to do to expand imports will be jointly sponsored by the ministry, the Japan External Trade Organization (JETRO), and the Manufactured Imports Promotion Organization (MIPRO), they said.

The ministry will also have a contest for catchwords to remind the public of the importance of promoting imports and to encourage purchases of imports, they said.

Winners will be awarded certificates of commendation and imported goods worth 1,000 to 2,000 dollars, they said. The registration of ideas and slogans will begin next Wednesday and continue until August 31, they said.

Firm Calls Malaysia Court Ruling Unexpected

OW1107112392 Tokyo KYODO in English 1046 GMT 11 Jul 92

[Text] Tokyo, July 11 KYODO—Mitsubishi Kasei Corp. Saturday called a Malaysian court verdict "severer than expected" after it was ordered to immediately shut down a chemical plant on the grounds that it was a health hazard.

"The sentence was severer than expected, and we will carefully study what action to take," said Taketoshi Eto, vice president of Japan's top comprehensive chemical maker.

The Malaysian High Court handed down the ruling against Asian Rare Earth Sdn. Bhd. (ARE), a joint venture in Malaysia in which Mitsubishi holds a 35 percent equity stake.

The court ruled Saturday that the company's factory in Bukit Merah Near Ipoh produces radioactive waste, which posed a health danger to local residents.

The court gave the company 14 days to remove all radioactive waste and other toxic chemicals from the plant to its permanent dump site away from the local village.

"We have no idea at all under which law the stoppage of operations has been ordered," a spokesman for Mitsubishi said, adding that the factory faithfully observed Malaysian regulations and no damages have been caused to local villagers.

The spokesman said Mitsubishi may bring the case to the highest court after consultation with other investors in the venture.

The company has one month to appeal.

A group of Japanese lawyers which supported the local residents said the verdict represented a total victory for the local residents and "a stern condemnation" of Japanese enterprises which have exported pollution overseas.

The lawyers told a news conference in Tokyo they would ask Mitsubishi early next week not to appeal.

Pollution Efforts of Firms Abroad To Be Probed

OW1307135392 Tokyo KYODO in English 1325 GMT 13 Jul 92

[Text] Tokyo, July 13 KYODO—The Ministry of International Trade and Industry (MITI) will launch a probe into the pollution control measures of Japanese firms or their affiliates operating abroad, a top MITI official said Monday.

MITI Vice Minister Yuji Tanahashi told reporters the move is in response to an order issued Saturday by Malaysia's Ipoh High Court to immediately shut a plant operated by Asian Rare Earth Sdn. Bhd. (ARE), which is owned 35 percent by Mitsubishi Kasei Corp.

Mitsubishi Kasei is Japan's leading integrated chemical manufacturer.

The court ruled that radioactive waste left by the ARE factory in Bukit Merah, 16 kilometers from Ipoh, endangered the health of nearby residents. Ipoh is the capital of Perak State in northwest Malaysia.

The court gave ARE 14 days to ship all radioactive waste and other toxic chemicals to the company's permanent dump site away from the villages.

Earlier Monday, MITI issued a warning to executives of Mitsubishi Kasei who visited the ministry to report on the ruling.

Tanahashi said it would be "highly regrettable" if the court's finding on the plant's health risk was correct.

MITI officials said they will give specific instructions to Mitsubishi on the Malaysian operation as soon as they receive a copy of the court order.

He said the ministry would immediately call on all Japanese enterprises operating overseas to do whatever they can to prevent pollution.

A MITI survey announced last December found that 261, or 11 percent of 2,483 Japanese manufacturing enterprises surveyed, said their overseas subsidiaries or affiliates faced pollution problems.

Of the total, 158 said their overseas subsidiaries or affiliates had been told by local authorities to take steps to prevent further pollution.

It added that 39 firms said their subsidiaries or affiliates faced complaints from local inhabitants, while nine others said their subsidiaries or affiliates had been sued.

Only 7.5 percent of the enterprises surveyed said they have implemented stronger antipollution measures than those stipulated by local laws and regulations.

However, 62.6 percent of the enterprises polled said they are scrupulously observing the antipollution rules of the countries or territories in which their plants operate.

Another 11.6 percent of the enterprises checked said they had not taken specific measures to curb pollution.

MITI To Caution Firms on Pollution Overseas

OW1307061692 Tokyo KYODO in English 0604 GMT 13 Jul 92

[Text] Tokyo, July 13 KYODO—The Ministry of International Trade and Industry (MITI) will urge Japanese-owned companies overseas to avoid creating environmental problems, a top MITI official said Monday.

Vice Minister Yuji Tanahashi said MITI will investigate the environmental policies of Japanese-owned companies overseas in the wake of a weekend order by a Malaysian high court that a joint venture there of Japanese chemical manufacturer Mitsubishi Kasei Corp. close its plant because its radioactive wastes endangered the health of nearby residents.

The order issued Saturday by the court in Ipoh, Perak State, to Asian Rare Earth Sdn. Bhd. gave the company 14 days to remove all radioactive waste and other toxic chemicals from its factory.

Tanahashi told reporters it would be "highly regrettable" if the court finding that the plant posed a health risk was correct.

Earlier Monday, MITI issued a verbal caution to Mitsubishi Kasei executives who visited the ministry to report on the ruling.

MITI officials said they will give specific instructions to Mitsubishi on the Malaysian operation as soon as they receive a copy of the court order.

The factory had been licensed to produce yttrium and other "rare earth" chlorides used in electronic equipment. Mitsubishi Kasei has a 35 percent stake in the joint venture, with the rest owned by local interests.

North Korea

North-South Political Subcommittee Chairmen Meet

SK1007134592 Pyongyang Korean Central Broadcasting Network in Korean 1208 GMT 10 Jul 92

[Text] The chairmen of the North-South high-level talks Political Subcommittee met on the South side's area of Panmunjom today. After the contact, our side's subcommittee chairman held a news conference.

According to him, before discussing the draft of the annexed agreement on implementation and observance of North-South reconciliation at today's meeting, our side noted that the South side's behavior has been untrustworthy. Our side noted that despite the fact that the South's chairman promised at the sixth Political Subcommittee meeting on 2 July to officially state the position that the so-called nuclear issue is not a precondition for the implementation of the North-South agreement and the improvement of North-South relations, he has still failed to clarify the South side's position. Moreover, the South authorities have recently stated again that practical progress in North-South relations can hardly be expected unless the nuclear issue is resolved. Our side's chairman then asked for the true position of the South side as it has been making conflicting statements at and away from the site of the talks.

Our side also referred to the letter the South's prime minister sent to our premier on 7 July and noted that the letter conveys a very insidious intent to raise a new obstacle to the reconciliation and reunification of the North and the South. Gravely concerned, our side pressed the South side hard on the fact that in the letter the South side violently distorted facts by describing the adoption and effectuation of the North-South agreement as the fruition of the 7 July declaration. Our side then made it clear that the North-South agreement was adopted and effectuated based on the 4 July joint statement as consistently evidenced in its preamble and general contents.

Our side also concluded that the South Korean prime minister's letter not only contains the insidious intent of the authorities to take over the work of the Red Cross organizations, disregarding the authority of both sides' Red Cross organizations, but raises unrealistic issues in disregard of the present North-South relations. Our side then added that the letter is part of political tactics to block the implementation of the North-South agreement and, in particular, the repatriation of elderly Yi In-mo.

Our side pointed out that the attempt to link the issue of old man Yi In-mo with other issues is preposterous, and strongly urged the South side to answer the questions on when and what procedure and method it will use to send him home where his wife and children live.

Pressed hard by our side's reasonable logic and refutation, the South side said that the authorities' position is that the North-South agreement should be implemented and the nuclear issue is not a precondition for implementation of the North-South agreement. However, the South side noted that unless the nuclear issue is resolved, North-South relations cannot help but be affected by this issue. Thus, the South side's remarks were contradictory and evasive.

Our side strongly called on the South side again to officially clarify that the nuclear issue is not a precondition for implementing the North-South agreement and for improving North-South relations.

At the meeting, the two sides tried to adjust the contents of each provision based on the annexed agreement drafts each side presented. However, the South side adhered to the position of pursuing division and reliance on outside forces. Thus, the South side showed that it has no intention of implementing the North-South agreement.

Thanks to our side's sincere efforts, an agreement was reached on the title and preface of the annexed agreement and on the title of each chapter in the annexed agreement. However, the two sides failed to reach an agreement on its concrete content due to the South side's unreasonable insistence.

The two sides agreed to hold a meeting of the Political Subcommittee members on 18 July.

Delegation Spokesman Demands Yi In-mo's Return

SK1307065392 Pyongyang KCNA in English
0442 GMT 13 Jul 92

[Text] Pyongyang July 13 (KCNA)—A spokesman of the delegation of the North side to the North-South high-level talks in a statement issued Sunday strongly demanded the South side to unconditionally send back old man Yi In-mo home as requested by the North before the exchange of visiting groups of old parents between the North and the South, not using any longer the problem of his repatriation for a political bargaining.

Recalling the South side's recent announcement that it was "actively examining" the matter of repatriating Yi In-mo before the exchange of visiting groups of old parents and art troupes slated to take place on the occasion of August 15, the spokesman said:

The South Korean prime minister in his letter addressed to the premier of the Administration Council of the Democratic People's Republic of Korea who is head of the delegation of the North side to the inter-Korean high-level talks on July 7, proposing to alleviate the sufferings of the families dispersed in the North and the South, suggested to discuss the socalled "return of persons of advanced age and their settlement", "ascertaining whereabouts of those who were separated in the North and the South regardless of their will" after the war and "their reunion, repatriation and settlement," etc. at the meeting of the Cooperation and Exchange Sub-committee of the inter-Korean high-level talks now under way and said that the problem of the repatriation of Yi In-mo could be treated as "an object of that operation." The problem of the repatriation of Yi In-mo is not sort of an issue which can be mixed with the inter-Korean humanitarian work to mitigate the sufferings of the separated families.

At a time when the repatriation of old man Yi In-mo is posing itself as an urgent problem the South side's prime minister brought forward the problem of alleviating the sufferings of the families dispersed in the North and the South and proposed to make it as "an object of the work". This is a mockery of the unanimous opinion at home and abroad demanding his immediate repatriation.

As for old man Yi In-mo, he was taken prisoner in South Korea as a war correspondent of the Korean People's Army during the fatherland liberation war, and refused the "ideological conversion" despite all sorts of persecution for 34 years in prison and after his release has lived with the determination to return to the northern half of the country where his dear wife and daughter live and his resolution still remains firm.

Yi In-mo should, therefore, be repatriated to the northern half of the country unconditionally without any precondition.

As for the problem of "repatriation and settlement of those who were separated regardless of their will" brought forward by the South side this time, this is something impossible between the two sides.

There are those from the northern half of the country who live in the South against their will but there are no South Koreans who live in the North against their will.

Many people left South Korea during the war and in the postwar period and now live in the northern half of the country and all of them live in the North according to their own will and choice.

According to our survey, none of them even dreams of going to South Korea to live there because they have lived a happy and worthy life for the past scores of years in the northern half of the country.

It is clear to everyone that old man Yi In-mo who wants to come back to the northern half of the country cannot be exchanged with those who do not want to go the South.

We cannot but be surprised at the South side's attitude in handling the repatriation of old man Yi In-mo as a hostage exchange.

The South side's proposal to exchange those who came over to the northern half of the country of their own accord from South Korea and old man Yi In-mo on the "principle of reciprocity" is unrealistic. It is nothing but a pretext to block the repatriation of Yi In-mo and, furthermore, is aimed at accomplishig a sinister political purpose to aggravate the North-South relations by laying a new stumbling block in its way.

Yi In-mo must be repatriated unconditionally and immediately under any circumstances and this problem is a most urgent and pressing humanitarian issue and a problem related to human rights which should not be mixed with other problem for a bargaining.

The South side must bear deep in mind that if the South side keeps Yi In-mo in detention, dragging on the time over this problem and mocking public opinion, and brings him to death in the end, it will be wholly responsible for all the ensuing consequences.

We hope that the South side will seriously approach the repatriation of old man Yi In-mo and immediately take a positive step so that the exchange of visiting groups of old parents and art troupes slated to take place between the North and the South very soon may proceed smoothly and a new breakthrough be made toward the solution of all humanitarian issues and the North-South high-level talks.

Foreign Ministry Statement on 'Comfort Women'

SK1107034392 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 10 Jul 92

[Press statement by the DPRK Foreign Ministry spokesman issued on 10 July—read by announcer]

[Text] According to a report, the Japanese Government on 6 July announced the investigation results regarding comfort women for the Army. In connection with this, Japanese Chief Cabinet Secretary Kato held a news conference and apologized and expressed remorse to the victims.

The Japanese Government has until now denied the former Japanese Government's direct intervention and involvement in the comfort women for the Army issue. Thus, it is desirable that the Japanese Government announced the investigation results and apologized and expressed remorse.

However, in the investigation's results, the Japanese Government evaded the former Japanese Government's responsibility for the comfort women issue. It only said that 127 items of materials on the involvement of the former Japanese Army mainly during the Second World War period were found. The Japanese Government said it was impossible to confirm how many women were recruited as comfort women from the Korean peninsula and how they were recruited.

This cannot be construed otherwise than the Japanese authorities' attempt to cover up past crimes and evade their responsibility for their crimes, by expressing an extremely general term of remorse, without an overall investigation into the comfort women issue, in which the Japanese authorities committed before mankind hideous crimes of such shocking infringement upon human rights.

Japanese social circles and various publications denounced the Japanese Government, claiming that the Japanese Government's results were very unsatisfactory. They are unanimously claiming that the Japanese Government should frankly apologize for its past crimes, take responsibility for them, and duly compensate for its past crimes.

As for supplying comfort women for the Army, it was an enormous organized crime of the Japanese authorities which was planned by the Japanese Government and executed by the military during the Japanese imperialist colonial rule over Korea.

The Japanese authorities are not willing to clearly confirm even the number of victims. They are far from disclosing the whole picture of their crimes even today when the whole world is violently shocked by the full exposure of the crimes of the Japanese militarists, who drafted nearly 200,000 Korean girls and committed unheard-of sexual assaults against them.

From the first inter-governmental full-dress talks for the normalization of Korea-Japan diplomatic relations, we raised the comfort women problem and demanded a clear apology and compensation for it, but the Japanese authorities denied it persistently, and this time, driven to the wall, they said they would deal with the matter in the form of a property claim at the forthcoming Korea-Japan talks. We are really astonished by this.

Now, in our republic, the inhuman and unpardonable crimes of the Japanese imperialists are being continuously exposed and condemned by many women who were abducted by the Japanese authorities and Army and police under the name of volunteer corps and forced into sexual slavery. Witnesses support their claims.

The Korean people and the world's people, who are listening to the ordeal and appeal of the former comfort women who suffered the atrocities of sexual assaults by the Japanese imperialists, are expressing soaring anger and vehement indignation over the trembling atrocities committed by the Japanese imperialists. The Japanese authorities must fully disclose the whole picture of the untold crimes committed by the Japanese imperialists against Korean women and sincerely apologize and compensate for them.

If the Japanese authorities continue to try to conceal the past great crimes in violating the human rights of Korean women, we will not pardon this but take all appropriate measures.

Japanese 'Obstinacy' on Nuclear Issue Berated

SK1307080592 Pyongyang KCNA in English 0509 GMT 13 Jul 92

["Futile attempt"—KCNA headline]

[Text] Pyongyang July 13 (KCNA)—Japanese Prime Minister Miyazawa, when he met with the U.S. President and the British prime minister, impudently brought forth the "nuclear problem" of the DPRK, according to a report.

The Japanese authorities do the same when they meet the South Korean authorities and do not forget to spread "nuclear suspicion" against the DPRK at international conferences.

Commenting on this, a NODONG SINMUN analyst today says:

In deliberately spreading the fictitious "nuclear suspicion" against the DPRK, the Japanese authorities intend to decry the peaceful nuclear policy of the DPRK, oppose the denuclearisation of the Korean peninsula and, at the same time, step up their own nuclear arming in real earnest, while concealing their true color as the very one creating a nuclear threat in Northeast Asia.

With the creation of objective conditions and circumstances for the implementation of the nuclear safeguards accord, we signed it and underwent an inspection by the Intenational Atomic Energy Agency (IAEA). But this time the Japanese authorities are trying to find new fault with us, crying that "inpection" by the IAEA alone is "insufficent" and it is "not trustworthy".

They are taking issues with the inspection of the DPRK by the IAEA while keeping mum about its inspection of their nuclear facilities. This cannot be justified with anything.

It is the height of obstinacy for Japan to try to put pressure on the DPRK over the fictitious "development of nuclear weapons at a time when its peaceful nuclear program and justifiable nuclear policy has been confirmed beyond doubt through the inspection by the IAEA. A very sinister design lurks behind his obstinacy they cannot get anything from their unreasonable pressure on us.

We advise the Japanese authorities to stop interfering in others affairs impudently but mind their own affairs when they have been driven to the wall by their past crimes they must give up such foolish things and act with discretion before it is too late.

WPK Central Committee Alternate Member Dies

SK1307115292 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 13 Jul 92

[Text] Comrade Sok Ki-chun Obituary:

Because of an unexpected accident, regrettably Comrade Sok Ki-chun, alternate member of the Workers Party of Korea [WPK] Central Committee and responsible secretary of the party committee of the Sunchon Cement Complex, passed away on 12 July 1992 at 1840. He was 59.

Comrade Sok Ki-chun highly upheld our party's leadership and worked devotedly for the country's socialist construction. While serving at important posts for many years in the building materials industrial sector, the comrade actively struggled to increase cement production and to organize and mobilize party members and workers in the struggle to fulfill party policy.

Even until the moment of his death, the comrade firmly implemented the party's unitary ideological system and was endlessly loyal to the party and leader.

Even though Comrade Sok Ki-chun has passed away, his distinguished service and dedication to our party and the revolutionary cause will remain forever.

[dated] 12 July 1992
[signed] WPK Central Committee

KCNA Reports Start of Wheat, Barley Harvest

SK1007125092 Pyongyang KCNA in English 1014 GMT 10 Jul 92

[Text] Pyongyang July 10 (KCNA)—The harvest of rich wheat and barley crops has begun in rural districts of Korea.

Agricultural working people in South Hwanghae Province including Ongjin and Kangryong Counties, North Hwanghae, North and South Pyongan and Kangwon Provinces are reporting remarkable results from the beginning.

Farmers in North Pyongan Province have gathered in wheat and barley from some 1,100 hectares and those in South Hwanghae Province from 500 hectares in a few days. Farms in Pyongyang and Kaesong Municipalities are harvesting wheat and barley in large areas everyday.

South Korea

Officials in Hanoi To Establish Liaison Office

SK1107030492 Seoul YONHAP in English 0238 GMT 11 Jul 92

[Text] Seoul, July 11 (YONHAP)—South Korea and Vietnam—former adversaries in war—opened a new era of reconciliation and normalization of relations Saturday [11 July] as a team of South Korean officials arrived in Hanoi to set up a liaison office.

Although no one is quite sure exactly when the two countries will formally establish relations, South Korean Foreign Ministry sources say it could come within this year. In fact, the leader of the advance team said he would try to set up the liaison office so that the two countries could formalize their ties by December.

It will be the first official relationship South Korea has had with the communist regime in Vietnam and the first contact in 17 years since the downfall of the pro-Western South Vietnamese Government, for whom many South Korean servicemen died, fighting against communist forces.

Despite the unfortunate history, however, nothing stood between Seoul and Hanoi for reconciliation and better relations except the sanctions imposed against Vietnam by the United States in 1975.

The U.S. Government had asked South Korea many times to go slow in its efforts to improve ties with Hanoi until Washington resolved its problems of American servicemen missing in action (MIAs) and prisoners of war (POWs), some of whom could still be detained in Vietnam, sources say.

But the obstacle between Seoul and Hanoi was removed last year when the United States introduced what is known as a four-stage plan to improve its ties with Vietnam since the Vietnamese Government began to show active cooperation in the search for American MIAs and POWs.

Since the collapse of communism in the former Soviet Union and East Europe and end of the cold war era, the communist regime in Hanoi also has introduced a series of reforms including the withdrawal of its troops from Cambodia, release of former South Vietnamese political prisoners, and improvement in relations with Southeast Asian nations.

There are, of course, some bilateral problems. South Korea sent 310,000 troops in six dispatches to South Vietnam between September 1964 and March 1973. Several thousands of them were killed fighting communist forces. There are hundreds of Vietnamese children fathered by Korean servicemen.

These and other problems are still to be cleared up before the two countries form formal ties. They should not be insurmountable as most were dealt with in the process of talks on establishment of the liaison offices, sources say.

The stage, they say, is more or less set for the two countries to formalize their ties and work for closer and cooperative ties in both political and economic fields.

In the political area, South Korea could go into the final stage of its so-called nordpolitik with the establishment of relations with Vietnam. It could build up a foothold in Vietnam for the advancement into Cambodia and Laos and for more active role in the Southeast Asian region, which is expected to become a center in the Asian-Pacific era.

An improved relationship with Vietnam, one of the few remaining communist countries together with China, North Korea and Cuba, could also contribute to South Korea's efforts for unification of the country.

But above all, Vietnam has emerged as one of the most promising partners for South Korea for economic cooperation as it was blessed with abundant natural resources and relatively good quality yet cheap manpower.

Vietnam has oil, coal, lumber, rubber, coffee and other natural resources, in addition to a rich fishing ground within its territorial waters.

Despite these resources, however, the country's gross national product (GNP) in 1989 was 16 billion U.S. dollars. Its per capita income was 210 dollars and a total trade volume amounted to only about 3.29 billion dollars. Yet its economic structure was so weak, its inflation and unemployment rates were 40 percent and 20 percent, respectively.

Vietnam, in short, is "a futile virgin land" waiting to be developed, and South Korea, as one of the newly industrializing nations, could provide it with knowhow and other forms of economic assistance, based on the experience of its own development, many analysts say.

ROK To Pursue Multilateral Security Talks

SK1107123092 Seoul YONHAP in English 0650 GMT 11 Jul 92

[Text] Seoul, July 11 (OANA-YONHAP)—South Korea will pursue regular high- and working-level tripartite security talks with Japan and the United States that may eventually grow into multilateral regional cooperation mechanism, officials said Saturday [11 July].

The tripartite talks would be held at various levels from directors and director-generals to higher ranks unlike the existing three-way policy consultations among assistant ministers begun last year.

The plan is taken largely as response to Japan's and the United States' proposal for multilateral talks including Russia and China on security issues surrounding the Korean peninsula.

"Seoul's basic position is that South and North Korea must take the lead in negotiating and resolving the Korean issues through direct dialogue. This is unchanged," one Foreign Ministry official said on condition of anonymity.

"But considering the political trend and expected changes, a multilateral forum may be necessary," he said.

"While we insist on having the initiative and leading role in addressing the Korean issues, it is true that our role cannot but be limited because the dialogue channel with Russia and China is limited or absent. This is what gives ground to U.S. and Japanese proposal for multilateral talks," the official said.

"We believe we should strengthen the South Korea-U.S.-Japan channel for now until these dialogue channels are opened," he said.

U.S. Secretary of State James Baker suggested multilateral security consultations in September last year, but South Korea rejected the idea.

Richard Solomon, assistant secretary of state, brought up the proposal again in May, saying "...the international community, particularly those countries with a major stake in stability in Northeast Asia, have a strong interest in assuring that a non-nuclear peninsula becomes a reality and that the process of North-South reconciliation advances."

Japanese Prime Minister Kiichi Miyazawa, while in Washington for a summit early this month, similarly called for multilateral cooperation.

"The North-South (Korea) dialogue for reconciliation is to be supported by the close cooperation among the four major powers involved: that is Japan, the United States, China and Russia," Miyazawa said in his National Press Club luncheon speech.

Defense Ministry To Expand Ties With Asia

SK1307100392 Seoul YONHAP in English 0916 GMT 13 Jul 92

[Text] Seoul, July 13 (YONHAP)—South Korea will expand cooperation with other Asian nations in the logistics and defense industry sectors for their possible use as supply and maintenance bases in an emergency, a Defense Ministry official said Monday [13 July].

New countries eyed for cooperation include Singapore, Brunei, India, Pakistan, Myanmar (Burma) and Vietnam, in addition to those with which the ministry already has cooperative programs—Thailand, Indonesia, Malaysia, the Philippines and Mongolia.

"With the Philippines, we are discussing the question of our participation in its airplane and armored vehicle maintenance projects, while Indonesia has inquired about its purchase of anti-submarine missiles, civilian airplanes and clothes in return for our participation in its aircraft maintenance project," Yun Chong-ho, director-general of the ministry's Logistics Bureau, said.

Talks are going on with Mongolia to set up joint-venture plants to produce military footwear, clothes and helmets, and with Thailand on the possible participation by Korea in their maintenance area.

Korea suffered difficulties due to the lack of mid-way supply bases during the Gulf war last year, so it was important to secure in the countries supply and maintenance bases so as to build up Korea's ability to prepare against war, Yun said.

Minister, Russian Official Discuss Loan Payment

SK1107093992 Seoul YONHAP in English 0905 GMT 11 Jul 92

[Text] Seoul, July 11 (YONHAP)—Viktor Shilin, Russian deputy minister of foreign economic relations, met with Korean Finance Minster Yi Yong-man Saturday [11 July] and they discussed the repayment issue of Korea-extended loans to the former Soviet Union.

Yi told Shilin that Korea would extend the remaining portion of the promised 3 billion-U.S.-dollar economic cooperation fund if the water-tight repayment and the timely interest payment on the principal are guaranteed.

Shilin explained the Russian Government's position concerning the issue roughly thanking Yi for the considerate hospitality.

Russia is likely to produce a legal document securing the full repayment during Seoul talks but have no detailed policy yet for the delayed interest payment on the principal loans the former Soviet Union received, a government official said.

"As a result, Korea might resume the economic assistance to Russia after Russian President Boris Yeltsin visited here on Sept. 16," the official who declined to give his name said.

The seven-member mission headed by Shilin arrived in Seoul Friday and is to stay here until July 17.

South Korea is yet to extend the remaining 1.53 billion dollars of the promised 3 billion dollars of economic aid package to the former Soviet Union.

Increase in Direct Trade With PRC Reported

SK1107032792 Seoul YONHAP in English 0157 GMT 11 Jul 92

[Text] Seoul, July 11 (YONHAP)—Trade between South Korea and China is increasingly direct rather than indirect, and has risen in the last few years, the Korea Trade Promotion Corp. (KOTRA) said Saturday [11 July].

Direct trade accounted for 57.5 percent of the total in 1991, up from 39.2 percent in 1989.

In the first four months of this year, direct trade totaled 1.58 billion U.S. dollars, accounting for 76.4 percent of the 2.38 billion dollars of Korea-China trade during the period.

Direct exports are up from 30.4 percent in 1989 to 42.3 percent in 1991, and direct imports from China increased from 46.6 percent to 68 percent in 1991.

Direct exports to China amounted to 52.7 percent of the total in January-April, and direct imports to 78.02 percent.

The sharp increase in direct trade is attributable to the higher margins and accumulative know-how of Korean traders.

In the past, Koreans prefered indirect trade due to fear of the different banking and financial systems.

Major exports were textile fiber, synthetic resin and steel and leather products. Major imports were corn, cement, cotton, iron and bituminous coal.

ROK, Japan Sign Economic Action Plan

SK1307003892 Seoul YONHAP in English 0027 GMT 13 Jul 92

[Text] Seoul, July 13 (OANA-YONHAP)—South Korea and Japan signed Monday [13 July] an economic "action plan" containing various measures to narrow Seoul's heavy trade deficit with Tokyo.

Ho Sung, assistant foreign minister, and his Japanese counterpart, Koichi Matsuura, signed the agreement. Top leaders of the two countries agreed to produce the action plan during their summit in January.

Matsuura arrived in Seoul Sunday to explain the results of last week's Group of 7 (G-7) summit.

The action plan calls for establishing separate foundations in Seoul and Tokyo for industrial and science technology transfer, for expanding the Japanese market for Korean products, and for forming a businessmen's forum.

The foundations, centerpiece of the action plan, will be established by end of this year by the private sector with 1 billion yen (8.3 million U.S. dollars) provided by each side.

Each side will put up 600 million yen (5 million dollars) for industrial and science technology cooperation projects.

Kim Yong-sam on Plans for Presidency

SK1207132592 Seoul SINDONG-A in Korean Jun 92 pp 140-47

[Article by Kim Yong-sam, executive chairman of the Democratic Liberal Party: "If I Become President I Will Form a Small But Strong Government"]

[Text] Just as it is natural for standing water to stagnate, so it is inevitable that a state or society will stagnate without reform. This is how one should try to understand the statement that without constant reform, revolution will follow.

During my 40 years in politics, I have constantly strived to reform myself through both self-reflection and self-renovation. During my years with the opposition party, this even led me to essentially abandon running for the presidency, thus challenging those forces otherwise content with simply being part of the eternal opposition. My challenge, in which I was commonly called the "flag bearer of the forties generation," finally lead to a freely competitive nomination of the presidential candidate within the leading opposition party, the New Democratic Party, in September 1970.

My new thinking and dedication to reform can also be called the decisive driving force behind the three-party merger in early 1990, an unprecedented event in our country's political history. Although some severely criticized the three-party merger as an illicit union aimed at the long-term extension of the current regime, I firmly believe that future historians will conclude that the merger was inevitable for the country's stability and in preparation for unification. If there had not been a three-party merger, the various steps toward democratization taken during the Sixth Republic could not have been implemented so steadily. Not only that, I believe that North-South Korean relations could not have progressed as far as they have today, since the achievements of Nordpolitik could not have been realized.

Reform is both a necessary process as well as a mechanism for the continuous development of history. The Soviet Union maintained a socialist system for 70 years. With the collapse of the Soviet Union and the East European countries striving toward democratization one and two at a time, we cannot afford to ignore the flow of world history and remain the only country stuck in the framework of the past.

That said, it is also not correct to pursue reform too rapidly. Like water flowing downward, reform must be accomplished reasonably. It must accommodate the demands of the era adequately, silently achieving results while constantly integrating and intertwining with the political inclinations of the people.

Will Steadily Pursue Reform With Resolution and Confidence

Every time a new political regime emerges, possibility for reform naturally grows. When a chapter from an old generation is closed, the door to a new generation opens, resulting in the opportunity for reform. Although our country has experienced several changes of regimes, each time reform—using the rigid definition of the word—has not been able to materialize to its fullest potential. In fact, those individuals from the military who have ruled this country during the past 30 years, beginning with the Third Republic, have severely distorted our politics. In addition, many problems have arisen from the fact that those in power have all come from one specific region.

Subsequently, the new generation of leadership must be civilian, completely free of the fetters of the past. Until today, the supreme power holder has been either from the military or from the independence movement. In other words, 45 years have passed without a career politician being able to ascend to the pinnacle of power.

Today's Korea requires new leadership as it faces the 21st century. A capable civilian leader is now needed who is not engrossed in standardization, recognizes the diversity of values, and has the ability to lead the nation with subtlety and harmony.

At the same time, there is a lack of strong and responsible leadership. Social discipline among the people is collapsing. Morals are falling to the ground. I blame this on the feebleness of our political leadership. Economic difficulties can also be attributed to political causes, while the spread of distrust throughout our society stems from a lack of dependability and consistency in the administration. Politics must strive to stand in front of the people and lead them in the proper direction. The new regime that will emerge this time carries the historical task of eradicating vestiges of the authoritarianism of the past while opening the door to a new era with vibrant hope.

Whenever our country has been in trouble, or when our nation's future looked bleak, I have overcome these difficult periods with brave and confident determination. That I have been able to plow through these dark times while hoisting the banner of democracy is, in a word, because of indomitable confidence and resolution. If not for that, I would not be around today.

In the future I will not idly sit by and lead a comfortable life, but instead will constantly promote reform. If problems are not remedied when they need to be fixed, things will deteriorate and rot just like water in a stagnant pool. Neither history nor the people will tolerate this. Speaking concretely, I intend to resolutely work toward exposing corruption and graft while dedicating all my efforts to creating a base in which clean politics can flourish by reforming the personnel system and establishing democratic practices.

It has been nearly one year since the implementation of local autonomous government aimed at the above goals. During that time, errors were admittedly made in implementatin as well as in many areas in which the practices and systems were not established. However, there is absolutely no doubt that the "era of localization" has begun. That being the case, we must work toward the decentralization of power, breaking away from the former centralist form of government.

It is my thought that operation of the central government must be minimal yet firm. A genuine democratic government ostensibly appears weak but can be stronger than any authoritarian system because it receives the people's spontaneous support and assistance. I am convinced of this. When a government maintains a consistent policy and has a strong driving force, it can yield great power even if it is small.

Invigorating parliamentary politics can also be a certain way to foster democratic politics. Even minority opinions must be respected, and solving problems through discourse and compromise is productive politics. That is what I believe to be the foundation of grand, clean, politics.

With a Goal of Unification Within This Century

Any politician hopes to leave some great lasting accomplishment he can call his own. I, too, am such a politician. My earnest desire is to establish a unified, democratic Korea where everyone lives well in freedom and abundance.

It has long been my desire, and with a deep sense of duty toward our race, to see the South and the North unified within this century. However, in order to achieve the unification that is the cherished wish of our people, diplomatic efforts aimed at changing the existing political situation so that it is favorable to unification is vitally important, as is the need to reinforce our own national strength and ability.

In this regard, I intend to establish a peaceful structure in which there is no danger of war. Denuclearization and arms reduction on the Korean peninsula make up the basic framework for this peaceful structure, and it is my plan to pursue the conclusion of a peace agreement between South and North Korea based on that foundation.

Although the reuniting of separated families is making progress in recent North-South talks, it is still limited to only 100 people on each side. The scale of these reunions must be increased drastically. I also believe that the exchange of postal communications must be established, and there must be an increase in other exchanges as well.

I believe that it is the government's job to develop a mid-to long-range plan in preparation for unification. While highlighting the plan as time goes on, the government must also prepare the people for the day of unification in order to mitigate the shock.

The most pressing issue facing our nation today, however, ahead of unification, is revitalizing our economy. I believe that the reason West Germany was able to absorb East Germany in unification was because of their superior economic strength. I further believe that without prosperity, the dream of North-South unification cannot be realized. That the focus of my reform policies will be in the economic arena is due to this belief.

Although some say that I have no interest in economics, I am determined to dedicate the same fervor to economics that I have given to politics, with the firm conviction that reviving the economy is the way to save this nation.

The international economic environment is changing rapidly. It is no exaggeration that the entire world is in a major economic war. Although the Soviet Union broke up and the Eastern European bloc has collapsed, the Chinese economy is taking off, and each of the Southeast Asian countries are economically chasing our country. In some products, they already have passed us. The world order is no longer defined by military competition; this is an era of economic competition struggling to amass wealth and establish sources of income.

And just how is country's economy doing? It is undeniable that we paid many dues in the process of political democratization and economic opening. Due to uneasiness in labor-management relations, our entrepreneurial spirit and our industrial drive—which had been considered one of the world's finest—have declined greatly. Even our labor force, touted as the most industrious in the world, lost its vigor.

The will of many citizens has been shaken due to the irrational consumption lifestyle of a few imprudent consumers. One also cannot deny that various government restraints and fiscal actions eroded the vitality of the nation's economy. Thus, prices became unstable, and the international balance of payments went into the red. Small and medium-sized companies lost their industrial drive, and investment in the manufacturing arena dropped, with even a decrease in savings.

I Will Turn the Balance of Payments Into a Surplus Within Two Years

I believe that one of the most important tasks of a president is to develop an economic society in which hard-working people can maintain a rewarding lifestyle while businessmen are rewarded justly for their efforts. To do this, it is necessary to pursue a reasonable and consistent economic policy.

The key to my view of economics lies in working toward brisk production and a rational consumer life-style by pursuing policies according to market economy principles. The government must drastically reduce the various regulations it has in place and reform itself into a small government with strong leadership—one that moves toward the principles of a free market economy and that increases the government's efficiency. With the approach of the information society, we must also nurture our economy so that it is guided by technology and the national income reaches the $15,000-level of advanced countries.

Another duty that must not be forgotten is to devote all efforts to establishing economic justice through clean politics as soon as possible. The living standards of all people must be improved, and a righteous society must be established in which the misery of estranged citizens disappears. When this is done, there will be harmony among the people. Also, we must correct the disparities between regions through policies aimed at balanced development, while also initiating innovative policies that make small and medium-sized enterprises the backbone of the people's economy.

Reform of the tax system and eradication of real estate speculation are also essential tasks in the realization of economic justice. Those two tasks alone become the keys to stabilizing the lives of the masses and eradicating inflation psychology. We also must pursue a policy that strives to regain economic stability and vitality in the manufacturing sector, regaining within two years the surplus in the international balance of payments that we had achieved in the latter half of the eighties.

The people's confidence in the policies plays an incredibly important role in their success. To obtain confidence, consistency in policy combined with unselfish leadership is needed. Until now, I have pursued political democratization with considerable passion and enthusiasm. I intend to multiply such efforts in pursuit of economic democratization and economic stability.

The international economy is being reorganized. Issues can be resolved only through challenges at levels different from those of the past. I mean that we cannot triumph at this critical turning point only with existing thoughts, actions, systems, or organizations.

World history gives us numerous examples of nations, unable to overcome setbacks and stagnation, falling behind to become backward nations. We should learning from these lessons. The most urgent task facing this nation is to obtain the confidence of the people, assemble the needed expertise, and search for a way to rescue this economy. The more troublesome the economy becomes, the more necessary is leadership that can set a clear direction for development, lead the people to agreement, and form a consensus throughout the country.

Confidence and Consistency Needed in Policy

Recognizing this, what basic direction of economic program must we pursue?

First, we must revive economic vitality through economic democratization. Greatly reducing the amount of government regulation and interference will revitalize the private economy. I also believe that there is a need to reform government organization and functions to pursue such basic directions.

We can establish a fair competitive order in which the consumers' interests are best protected by establishing a developed economic system conforming to an era of democratization and internationalization. This can be accomplished through active economic diplomacy while simultaneously abolishing monopolies that destroy the strengths of a free market economy.

Second, we must increase the dependability and consistency of our policies. To do this, we must have a strong and efficient government that can eradicate improprieties throughout society and does not tolerate illegalities and chaos. Policy decisionmaking must also be accomplished through rational and democratic procedures. Only then can the concordance of the people be obtained.

Third, by making price stability the basis of all economic policy, my goal is to stabilize, within two years, the growth in the consumer price index at 3 percent annually. I plan to maintain money supply at adequate levels while controlling nonessential expenditures by guiding a limited flow of money into production areas. Simultaneously, the government must drastically reform the distribution structure while cutting back on budget operations. Real estate speculation that stimulates price instability must be constantly controlled. In particular, housing must be expanded to stabilize the price of houses for the masses. Land and housing prices must be gradually driven downward.

Fourth, I intend to return the international balance of payments to a surplus within two years. We must plant the roots of a surplus balance of payments, form an economy that has some latitude, and pave the way for overall growth of national power. To do this, we must increase our industrial competitiveness by alleviating the capital crunch within the manufacturing industry, reducing interest rates, and focusing investment on social indirect capital to develop technology and manpower. Because the need to train and provide capable human resources from simple technicians to high-tech engineers is important, we must make basic improvements in our education, research, and career systems, and expand the breath of participation of women in production activities.

In social indirect capital investment—to include roads, ports, airports, railways, and power—we must expand all these sectors systematically in accordance with long-range plans. By so doing we can drastically increase our export competitiveness, instill an atmosphere of industrial peace by building confidence between labor and management, and improve productivity by reviving our work ethic and entrepreneurial spirit. Finally, we should create an environment throughout society of consumer frugality. The government also must remember that it itself can be no exception.

Will Positively Consider Real Name Financial System

Above all else, the balanced development of industry and of the nation's land is most essential given our country's current situation. We must revive the strong points of each industry and each region, with the people's economy as a whole being able to arrive at harmony only through constant competition.

Additionally, we must not let the industrial sector fall behind and become a burden on the entire economy while we concentrate on the manufacturing industry. Amidst the push for economic opening, I believe we must invest in improving the agricultural structure, gradually reduce restrictions on the possession and transaction of land, and actively pursue liberalization in order to develop a competitive agricultural industry.

With small- and medium-sized companies being the driving force behind economic growth, even large conglomerates will find growth difficult without their proper development. I believe there is a need to reconsider our policies thus far so as to increase specialization between small- and medium-sized companies and large conglomerates, while maintaining a cooperative relationship between the two. We must search for a method by which to establish a consolidated support system for small- and medium-sized companies while developing our large conglomerates into world-class international companies through sectoral specialization. Also, there must be a separation of ownership and management in order to foster harmony between enterprises and the people, expanding the opportunity for the general public to participate in stock ownership.

Together with this, the foundation for a full-scale era of localization needs to be established. This can be done through the infusion of vitality into the provincial economy by focusing on development of industries suitable for the unique characteristics of specific regions while simultaneously working towards balanced development of the nation's land.

What I would finally like to emphasize is that economic justice is the embodiment of social construction in action. Economic justice entails that each and every citizen is provided with a fair economic opportunity, and that various policy considerations are attained with the goal of returning an appropriate share to each person for an appropriate effort.

While creating a society in which capable people can live well, we also must expand assistance to guarantee a humane standard of living for the elderly, handicapped, and poverty stricken. To do that, improper amassing of wealth must be prevented through a fair tax system, and land speculation and its resultant unearned income must be abolished. This will resolve the evils of the underground economy and break the linkage of the political-economic nexus.

I believe that on this basis, a real name financial system must be considered. All that remains is the direction and timing of such a decision so as to minimize the economic shocks it will cause. In the very near future, I myself will come to a final decision regarding this issue.

DLP Pushes for Parliamentary Land Fraud Probe

SK1007115292 Seoul YONHAP in English 0853 GMT 10 Jul 92

[Text] Seoul, July 10 (YONHAP)—The ruling Democratic Liberal Party (DLP) discussed a complicated swindle involving land belonging to Army Intelligence Command and decided to push for a parliamentary investigation Friday [10 July].

The party will submit a motion to begin the investigation after questioning government officials in committee hearings.

Kim Yong-sam expressed regret that the stock market was in the doldrums and small companies were short of funds in the immediate aftermaths of the fraud, and promised that the DLP would do its best to minimize the adverse effects.

Kim, executive chairman of the party and its presidential candidate, headed the meeting.

The opposition Democratic Party [DP] and Unification National Party [UNP] [United People's Party] held separate meetings to discuss their positions on the fraud and decided to look into the whereabouts of the missing money, which amounts to several tens of billions of won.

A DP committee visited the Citizens National Bank to question the chief or executive members of the bank about the withdrawal of 23 billion won.

They went to the office of insurance supervision to find out if the attempted purchase of army land by First Life Insurance violated regulations of asset management by insurance companies.

DP Executive Chairman Yi Ki-taek said President No Tae-u was responsible for solving the problem, and urged him to bring the facts to light.

A UNP team will visit the Defense and Finance Ministries, the offices of insurance and bank supervision and the prosecutor's office in its investigation of the scandal after gathering basic information.

More on Land Scandal Probe Call

SK1107030192 Seoul THE KOREA HERALD in English 11 Jul 92 p 2

[By staff reporter Kim Chong-chan]

[Text] Kim Yong-sam, president candidate of the ruling Democratic Liberal Party (DLP), yesterday called for a thorough investigation of the scandal involving land in southern Seoul owned by the Army Intelligence Commend, amid the opposition's allegation that he may have been involved in the case.

Speaking at a regular meeting of the party's Central Executive Council, Kim said the truth of the scandal should be uncovered as soon as possible.

"I spoke of this when I met with President No Tae-u Thursday [11 July]," Kim said.

Kim lamented that the case has caused such a stir in society. "I deplore that a distorted sense of value which leads people to dream of making a fortune at a stroke without labor is spreading in the country," Kim said.

Opposition parties insist that Kim and his close confidants may have been behind the fraudulent land deal to collect campaign funds for the March parliamentary elections.

Ruling party officials said the opposition accusation is designed to undermine the integrity of Kim Yong-sam ahead of the December presidential election.

Tycoon-turned-politician Chong Chu-yong, who leads the United People's Party (UPP), pointed to Kim as the behind-the-scenes figure in the multimillion-dollar land swindle Thursday.

During the council meeting which was opened to the press, Kim said the rival parties should consider launching a parliamentary probe into the case.

Rep. Choe Pyong-yol of the ruling party also suggested that the ruling and opposition parties invoke the parliamentary right to probe the scandal, saying that his party had "nothing to hide." Some other DLP legislators made similar comments.

Ruling party officials contend that opposition parties have little interest in parliamentary probes of the case, because they know that the land scandal is just a scam triggered by professional swindlers.

The opposition Democratic Party, on the other hand, says that even if it takes part in Assembly inspection of the affairs, it will not be effective as a result of its numerical inferiority at the single-house legislature.

Lawmakers of the DP and the UPP have been boycotting parliamentary sessions to protest the government's delay of local polls.

The government party has urged opposition lawmakers to return to the Assembly to probe the scandal which involves a retired Army colonel and an insurance firm.

In yesterday's meeting, Kim Young-sam promised that his party would take steps to minimize the adverse effects the scandal may have on the national economy, and to help banking institutions restore public confidence as soon as possible.

He said the land swindle was responsible for the latest stock market tumble and worsened financial difficulties facing small businesses.

Kim's aides said the prosecution's probe would clear Kim of any complicity in the land scam. "We will wait to see all the fuss fade away," one said.

Scam Involvement Claim Denied

SK1007122392 Seoul CHOSON ILBO in Korean 10 Jul 92 p 4

[From the "News Behind the News Column"]

[Text] In an informal talk with reporters on 9 July, Chong Chu-yong, chairman of the United People's Party [UPP], insisted that Kim Yong-sam, executive chairman of the Democratic Liberal Party [DLP], was involved in the fraud surrounding land owned by the Army Intelligence Command, on the grounds that the home of the ringleader of the incident is the same as that of Chairman Kim. Furthermore, Chong Chu-yong used abusive language about Kim Yong-sam. The DLP flew into a rage over this.

Yi Won-chong, DLP deputy spokesman, responded: If his claim is based on this kind of logic, we can say that Chairman Chong must have been deeply involved in the case because Chong Kon-chung, a key accomplice in the case, and Chairman Chong are from the same home town, and they even have the same last names. He stressed: Thinking about the so-called presidential candidate's remarks makes us dizzy because they lack common sense.

Meanwhile, attention is focused on the DLP's position not to immediately reject the opposition party's proposal to invoke the parliamentary right to investigate state affairs in connection with the incident involving the Intelligence Command's land. The DLP gave the impression that it is closely examining the gains and losses concerning the proposal.

Insurance Company's Director Arrested

SK1007131492 Seoul YONHAP in English 1039 GMT 10 Jul 92

[Text] Seoul, July 10 (YONHAP)—The Seoul district prosector's office, investigating the multi-billion won financial scandal over a land in Seoul, Friday [10 July] placed under arrest Yun Song-sik, executive director of First Life Insurance Co., on charges of embezzlement.

Yun, age 51, was suspected of pocketing 800 million in kickbacks in negotiating and concluding a contract under which the First Life Insurance was to purchase part of the land of the Army Intelligence Command in southern Seoul.

The prosecution decided to announce the outcome of its probe into the land scam around the middle of next week when the checks of the 47 billion won cheated out of First Life Insurance would have been traced.

A prosecution probe showed that Yun and Chong Kun-chong, a ringleader of swindlers involved in the land scam, arranged a separate agreement during their negotiations for the fake land deal at issue to offset Yun's personal debt of 800 million won owed to Chong by the same amount of interests Chong and his group were to pay to the life insurance co.

The interests were to be paid to the company under a proviso of the contract that "if the seller fails to fulfill contract terms within one month of the signing, the seller would pay due interests to the buyer on the initial amount paid."

The prosecution also found that during their negotiations, the two decided to raise the initially agreed-on price of 20 million won per pyong (3.3 square meters) to 22 million, and that of the difference of 6 billion won, 3 billion won was to be personally taken by Yun and the remaining 3 billion won put into the company's "secret fund."

However, as the deal began to turn into a controversy, the two changed the contract amount again and now set the price at 21 million won per pyong as Yun renounced his share of 3 billion won, according to the prosecution.

Former Defense Minister Denies Link

SK1007131692 Seoul YONHAP in English 1205 GMT 10 Jul 92

[Text] Seoul, July 10 (YONHAP)—Former National Defense Minister Yi Chong-ku said Friday [10 July] he had nothing to do with the financial scam involving the land of the Army Intelligence Command.

Yi who served as Army chief of staff and then as defense minister from 1988 through 1991 said it was true that the relocation of the Intelligence Command to elsewhere was once reviewed during his office years.

"But, we scrapped the relocation plan because the command was taken out of the army's control into that of the Defense Ministry, and besides there was no other suitable place for the command," Yi said.

Asked why the cancellation, if actually made, wasn't publicly announced, Yi said, "since relocation of military units had taken place so often, we didn't feel the need to announce each of them."

He said he personally knew Kim Yong-ho, former Joint Chiefs of Staff official involved in the scam, as one of "my subordinates during my being defense minister."

Yi then strongly denied his or the Defense Ministry's involvement in the cheating, saying, "It is a nonsense for any one to claim the ministry's involvement."

Politicians Said Linked To Scandal

SK1207121892 Seoul THE KOREA HERALD in English 12 Jul 92 p 2

[Text] Chong Chu-yong, the billionaire leader of the opposition United People's Party (UPP), yesterday contended that political motives are at work in what he called the prosecution's reluctance to conduct a more extensive and thorough investigation into a multimillion dollar land swindle case.

He said he was convinced that influential politicians were involved but added that he did not have any material evidence.

"The prosecution must immediately arrest Ha Yong-ki, president of First Life Insurance Co., to bring the whole truth to light," Chong told a news conference he called.

He also called on ruling party presidential candidate Kim Yong-sam to order a more detailed probe into the case.

"There are persistent suspicions that Kim is involved in the scandal. It is Kim that should divest himself of such suspicions," Chong said.

He accused the prosecution of trying to put a premature end to the investigation without uncovering the whereabouts of the estimated $60.6 million.

He alleged that the prosecution is working at the behest of politicians who want to cover up the affair.

The prosecution has given only a half-hearted stab at investigating the involvement of First Life Insurance Co. President Ha, Chong claimed.

"The prosecution's investigation itself shows that Ha has been involved in the case from the beginning, but he has kept denying it and the prosecution appears willing to believe him," he said. "All this convinces me that some powerful politicians are pulling the strings."

Recent press reports showed that Ha, former head of the Bank of Korea, had ordered his insurance company to buy a patch of Army-owned land in fraudulent dealing with a ring of swindlers.

Democratic Party Begins Probe

SK1307093992 Seoul YONHAP in English 0757 GMT 13 Jul 92

[Text] Seoul, July 13 (YONHAP)—The main opposition Democratic Party [DP] began an investigation Monday [13 July] into the massive swindle involving land housing the Army Intelligence Command at the Seoul District Prosecutor's Office and the offices of First Life Insurance Co.

The DP investigators called on the prosecutor's office to probe suspicions that the swindlers channeled their ill-gotten gains into politics and questioned insurance company officials about whether they tried to raise a secret money to be donated as political fund by purchasing the land at above the market price.

DP executive chairman Kim Tae-chung said that the investigation into whether retired Army Col. Kim Yong-ho, a suspected mastermind of the scam, had attempted to defect to North Korea was so cursory that it had aggravated public distrust in the fraud investigation.

"Suspicion centers on the Agency for National Security Planning and the prosecutors' office," Kim said.

DP spokesman Chang Sok-hwa charged in a statement that the prosecutor's office was conducting its investigation according to a prepared scenario, focusing on low-echelon henchmen even though everyone knew the fraud was connected to high-level powerholders.

Chang warned the prosecutors that if they wrapped up their investigation at the present stage and concluded that it was a plain swindle with no political involvement, they would be accused by the people.

Elsewhere, a team from the Unification National Party visited the Defense Ministry to find out why the ministry first pushed for the sale of the plots occupied by the army intelligence unit and then changed its mind.

Pak Chan-chong, chairman of the New Political Reform Party, was out on the street in downtown Seoul asking passers-by their feelings on the fraud.

UPP Considers Resuming Assembly Session

SK1107022492 Seoul THE KOREA HERALD in English 11 Jul 92 p 2

[By staff reporter Choe Sang-hun]

[Text] With parliamentary politics deadlocked over the timing of local polls, the two major opposition parties are striving for a leading position in their common battle against the ruling Democratic Liberals.

On the surface, the two opposition groups have maintained a cooperative partnership which has kept them away from the National Assembly session in a concerted protest against the ruling party's plan to postpone the local polls.

Behind the scenes, however, this opposition partnership seems to be getting fragile. Adding a new twist is the widening multimillion-dollar land scandal.

Sensing a major opening in rising public suspicions over the land scam, Chong Chu-yong recently hinted that his No. 2 opposition United People's Party [UPP] might agree to resume the adjourned Assembly session.

Chong said political parties can not afford to keep the Assembly on hold any longer as the people want politics to address such urgent tasks as investigation into the land scandal. To support his argument, the UPP will conduct an opinion poll early next week.

UPP officials welcomed Chong's move as "timely." They said their party needs to strengthen its position as a power broker at a time when the two largest parties seem to be leading the negotiations on major issues.

The main opposition Democratic Party [DP] agrees with the UPP in that the two parties need to capitalize on public doubt over the land scandal which might involve ruling party and government officials.

But the main opposition party has stuck to its position to continue boycotting parliamentary activities until the political parties have agreed on when to hold the polls for mayors and governors.

The ruling Democratic Liberal Party which wants to postpone the polls is urging the opposition to return to parliament to discuss the matter.

Hard-line oppositionists, most of them belonging to the main opposition DP, fear that once the opposition joins the Assembly session, it might lose leverage against the ruling party which has majority in the single-chamber Assembly.

The hard-liners insist that the two opposition parties should remain outside the Assembly, continuing political offensives on the ruling party for trying to postpone the polls.

Chong and his UPP lawmakers, however, say that it is better for the opposition to wage in-house battles.

For example, he said, the opposition parties should jointly move to launch a parliamentary investigation into the land scandal and impeach the cabinet for failing to obey the law that provided the local polls take place by June 30 this year.

Recently, the government offered an apology for failing to obey the law and hoped the new Assembly would revise it. It argued the postponement of the local elections is inevitable because of economic difficulties.

Meanwhile, Chong and DP leader Kim Tae-chung are to meet this coming Tuesday [14 July]. They are expected to agree to a joint investigation into the land scam.

Also expected is reaffirmation of their position that the local polls should be held within this year. But sources say it is uncertain whether they will agree on resuming the parliamentary session.

Workers' Income Increases in First Quarter

SK1307033492 Seoul YONHAP in English 0138 GMT 13 Jul 92

[Text] Seoul, July 13 (YONHAP)—The average household income of urban dwelling salaried workers grew 23.4 percent to 1,293,300 won a month in the first quarter this year from 1,047,700 won a year earlier, the National Statistical Office said Monday [13 July].

It said real income increased 14.9 percent with a 7.4-percent inflation rate factored in.

Sources broke down to 1,088,400 won of earned income, up 22.2 percent, and 204,900 won in other revenue, including money earned through part-time jobs, up 30.3 percent, it said.

Money earned by household heads rose 21.4 percent, accounting for 71.3 percent of total household income, and earnings of other family members jumped 27.2 percent.

The household income of salaried workers in the first three months grew 3.7 percent from the fourth quarter last year.

Family spending hikes averaged 23.4 percent to 981,600 won in the period from a year ago and 887,200 won was spent for pure consumption purposes, up 22.9 percent, and 94,400 won for non-consumption aims such as tax payment, up 28.8 percent.

The tax burden for salaried workers popped up 37.7 percent in January-March period over the same period last year, surpassing the income growth rate of 23.4 percent.

Disposable income per household grew 23.1 percent to 1,199,000 won and the average consumption propensity ratio, a barometer for spending trends among disposable income, was 74 percent, down from 74.1 percent a year earlier.

The average household surplus income rose 23.3 percent to 311,800 won in the January-March period. The Engel's coefficient, the food spending share out of total consumption, decreased 1.3 points to 28.4 as living standards rose.

Burma

Third National Coordination Session Held 10 Jul

NLD Presents Additional Views

BK1107135992 Rangoon Radio Burma in Burmese 0936 GMT 10 Jul 92

[Speech by U Aung Shwe, leader of the National League for Democracy Party delegation, at the third session of the coordination meeting in the President's House compound on Ahlone Road in Rangoon on 10 July—recorded]

[Excerpts] The National League for Democracy [NLD], with the permission of the chairman, would like to present and discuss some suggestions. I wish Mr. Chairman, the members of the Steering Committee, representatives of political parties, and independent representatives, happiness and good health. [passage omitted]

Mr. Chairman, with regards to the invitation and selection of representatives for the national convention from various political parties, in accordance with the normal practice of political parties, they have organized themselves at the village and ward levels up to the township, state, and division levels by laying down their policies and manifesto. But in selecting representatives for the convention, I would like to suggest that it would be wise and appropriate to select from the township, state, and division level organizations. Therefore, I suggest again the selection of political party representatives from the township, state, and division levels.

With respect to elected representatives, they have been duly elected in compliance with the wishes of the voters, who decided independently to vote and who wanted them as representatives in accordance with the provisions of the Elections Law stipulated by the state government. There should be public participation in the execution of the nation's duty. Therefore, I would like to suggest that all elected representatives be selected as representatives for the national convention.

As for the selection of representatives from the national races, I would like to suggest that it be based on constituency instead of township.

In matters relating to the selection of worker representatives, workers being made up of two types—physical and mental, I suggest that selection be made according to the respective expertise in order to include them comprehensively.

Mr. Chairman, as another factor in choosing representatives from students, I would like to suggest students who have matriculated but who are presently unable to attend universities, colleges, and other institutes. They should be included in the selection.

Mr. Chairman, in order to implement successfully the great task of convening the national convention, laying down policies, and drafting the constitution according to these policies, I would like to conclude that if there is a positive attitude among the citizens, if they work together hand in hand, and if appropriate reforms are made in conformity with the present peaceful situation in the country, these will surely lead to the emergence of a new democratic nation, which is the national goal.

National Unity Party Welcomes Convention

BK1107110392 Rangoon Radio Burma in Burmese 0936 GMT 10 Jul 92

[Speech by U M. Sin Sar, leader of the National Unity Party delegation, at the third session of the coordination meeting held in the President's House compound on Ahlone Road in Rangoon on 10 July—recorded]

[Excerpts] Mr. Chairman, first, I am pleased to be granted permission to speak again at the coordination meeting. [passage omitted]

Mr. Chairman, the National Unity Party [NUP] has presented the number of representatives who should be invited to the convention within the framework of the meeting chairman's call to discuss the assembly of the national convention. We do not hope for all our suggestions to materialize and we have no vague thoughts about what the other political parties will present. As we have already said at the second session, if it is for the future benefit of the country, we are willing to cooperate in accordance to the wishes of the majority. [passage omitted]

At the second session of the coordination meeting, I, on behalf of the NUP, presented suggestions that conformed to the atmosphere of the meeting. Our party will continue to fully present what needs to be presented when the national convention opens. I am glad to have had the opportunity to learn about the opinions and views of the political parties at this meeting.

Mr. Chairman, the NUP party has fully presented its suggestions within the framework of the meeting chairman's call to discuss the convening of national convention and has no additional suggestions. We are ready to accept the decisions of the SLORC with suggestions from the coordination meeting that will be duly endorsed by the Steering Committee. We warmly welcome the national convention.

Shan Party Discusses Constitution

BK1107125992 Rangoon Radio Burma in Burmese 0936 GMT 10 Jul 92

[Speech by U Hkun Tun Oo, leader of the Shan Nationalities League for Democracy Party delegation, at the third session of the coordination meeting held in the President's House compound on Ahlone Road in Rangoon on 10 July—recorded]

[Excerpts] Mr. Chairman, the Shan Nationalities League for Democracy [SNLD] has proposed that the construction of national unity based on national reconciliation and the emergence of a strong new constitution be a national objective [preceding two words rendered in English] for a successful national convention.

Mr. Chairman, the presentations at the 2d coordination meeting and at today's meeting are solely the views of the SNLD. These views are not meant to benefit any single party or group, but is for the entire nation. We have also suggested the need for a nationally representative character [preceding three words rendered in English] at the forthcoming national convention. [passage omitted]

Ways and means should be provided to allow every citizen to give necessary suggestions on the constitution at the convention. This means that everyone should be able to give suggestions on the drafting of the constitution, which is a concern of every citizen. I would like to suggest that citizens like peasants, workers, and public service employees, should be given the freedom to discuss the constitution at least three months prior to the convention. These discussions are on the constitution and should not be the concern of any single party. Thus, citizens also cannot be branded as engaging in party politics. If the freedom of discussion is permitted, then it is the duty of all citizens to see to the successful emergence of a constitution. Although the national convention is everyone's concern, not everyone can participate in the discussions. So, I recommend that the suggestion of citizens be also considered. This means the creation of a democratic environment for everyone to enjoy the freedom of suggestion and mutual discussion. This is being suggested for the successful implementation of national convention objectives.

Mr. Chairman, we are holding discussions to fulfill a national political task. Since the convention is a national concern, those who are in political and armed opposition groups should be invited for discussions at a roundtable peace talk. There is proof of peace initiatives and achievements with some armed groups. This is suggested with the aim of national solidarity. [passage omitted]

First, to present our views on the selection of representatives from peasants, workers, technicians and experts, and public service personnel:

A. Peasant Representatives;
1. the SLORC [State Law and Order Restoration Council] will select four representatives each from every state and division.
2. political parties will select eight representatives each from every state and division.

B. Worker Representatives;
1. the SLORC will select two representatives each from every state and division.
2. political parties will select four representatives each from every state and division.

C. Technicians and Experts Representatives;
1. one representative each will be selected from organizations with legal standing.
2. the SLORC will select one representative each from organizations without any legal standing.
3. political parties will select four representatives.

D. Public Service Personnel Representatives;
1. two representatives each will be selected from departments under the ministries.

Furthermore, I would like to suggest that one representative each be selected from universities, institutes, and colleges to represent students and youths.

As we are presently engaged in a market economy, I suggest that not more than five representatives be invited from citizens involved in commercial organizations such as the traders' association, the entrepreneurs' association etc.,

Second, to create an acceptable democratic environment or a fair political climate prior to the convention and for its success, our SNLD would like to suggest granting the freedom of speech and discussion with regards to the constitution, the meeting and discussions on peace matters at the round table, and also granting a general amnesty.

Mr. Chairman, if a steering committee is to be formed with the intention to hold the national convention successfully, then it should include representatives of SLORC, elected representatives, and political parties.

Mr. Chairman, we believe the forthcoming national convention will surely be a success if there is a democratic environment and an appropriate political climate, and if the basic principles laid down by the national convention will evidently support the three main causes—the nondisintegration of national unity, the nondisintegration of national solidarity, and the consolidation of national sovereignty.

Independent MP on Martial Law

BK1107132992 Rangoon Radio Burma in Burmese 0936 GMT 10 Jul 92

[Speech by Dr. Hmu Tang, an independent elected representative from Thangtlang Township constituency in the Chin State, at the third session of the coordination meeting held in the President's House compound on Ahlone Road in Rangoon on 10 July—recorded]

[Excerpts] Mr. Chairman, members of the Steering Committee, and representatives of elected representatives from political parties. As I have already presented my views on who should attend the national convention at the coordination meeting on 30 June 1992, today I shall present a few additional points.

Mr. Chairman, the national objective and the objective of holding the national convention should be identical. The national cause for today is genuine democracy that ensures peace, unity, and basic human rights of the country's citizens. [passage omitted]

Continuing, I would like to present the need for the formation of the national convention committee and subcommittees for a successful national convention. The success of the convention depends on this. The committee and subcommittees should be formed with government and elected representatives. I believe the government has already made plans for this. It will be appropriate in view of internal and external interests to convene the national convention with these committees.

Mr. Chairman, the national convention should be free from bondage and interference, and should be fair and free. The resolutions passed at the convention should not be passed by voting, it should be unanimous. There is need to consider the wishes of the national groups, to discuss their objectives and desires. There is a great need to freely hold township-wide discussions prior to the convention. That is why I especially request martial law to be lifted. I wish the national convention every success. I also wish for the successful convening of the national convention.

Myo Nyunt Gives Closing Speech

BK1107060792 Rangoon Radio Burma in Burmese 0336 GMT 10 Jul 92

[Closing speech by Major General Myo Nyunt, chairman of the Steering Committee for Holding Coordination Meeting on Convening of National Convention, at the third session of the coordination meeting held in the President's House compound on Ahlone Road in Rangoon on 10 July—recorded]

[Excerpts] Esteemed delegates: The esteemed delegates that have been invited by us have attended the national convention coordination meeting and have held discussions in a patient and cordial manner for three days. [passage omitted] One conspicuous fact stands out after analyzing the esteemed delegates' suggestions and proposals. Regarding the categories of delegates to be chosen and invited to attend the national convention—delegates from political parties, delegates from elected representatives, delegates from national races, peasant representatives, worker representatives, delegates from technicians and experts, and representatives from public services employees—it has been discovered that all esteemed delegates support the same basic principle. It has also been discovered that the number of delegates designated in each category vary, since these numbers were designated in accordance with the party's own viewpoints. This is natural. After studying the various suggestions and proposals by the esteemed delegates, we realized that they were presented with genuine goodwill. [passage omitted]

Regarding the choice of delegates for the national convention, although some persons were able to give suggestions on all aspects, there were some whose suggestions were restricted to a particular category. For example, there were comments on the difficulty of choosing peasant representatives because no peasants' union existed, and, similarly, on the difficulty of selecting worker delegates, because there was no workers' union. In our view, we must say that presently there are no difficulties involved in choosing mass and class organization representatives such as peasant and worker delegates. [passage omitted]

The next subject concerns the armed terrorist insurgents. There were suggestions by some esteemed delegates on matters relating to permit terrorist insurgents who are presently armed to attend the national convention. Everyone knows that governments up to the present day have been big-hearted in repeatedly making peace gestures, and have given various chances, to the terrorist insurgents. While some have responded positively to the government's goodwill when everything goes well, others have no regard for the benefits of the country and the people and have squandered the goodwill of the government and defense services through the pursuit of selfish gains. Esteemed delegates, no matter what the past of the terrorist insurgents may be, the SLORC [State Law and Order Restoration Council] has been giving them chances up to this day in view of national reconciliation. In accordance with the declaration of 28 April, our armed forces have halted the Karen offensive. Just as the Karen offensive has been halted, likewise, no offensives against other armed insurgents have been launched and this remains the situation to this day. We have a very basic duty to defend the lives and livelihood of the people. [passage omitted]

Continuing, I would like to present views on whether the representatives of terrorist insurgent organizations, who are presently armed, should be allowed to attend the national convention. It is not natural to invite people who do not have faith in the national convention to attend it. If those armed terrorist insurgents have a genuine desire to attend the national convention, they must give up their policy of armed struggle. They should without hesitation give up their armed struggle and they also need to come back to the legal fold. Once they are back in the legal fold they will be accorded the privileges given to other people and will be allotted the appropriate number of delegates to attend the national convention. It is very clear that this is the one and only way for the armed terrorist insurgents in the jungles to attend the national convention. [passage omitted]

I will explain again the actions taken by the SLORC in accordance with its Declaration No. 11/92 in connection with suggestions by some esteemed delegates. With the aim of gaining back national unity, we have granted amnesty and have released a number of political prisoners who have been serving their prison terms. Political prisoners, who are considered no threat to national security, will continue to be released after being scrutinized. But political prisoners who pose a threat to national security will be left behind. [passage omitted]

If anyone breaks the law, action will be taken according to law. Of the many basic principles and practices of democracy, we have all accepted these facts: equality before the law [previous four words rendered in English] and the due process of law [previous four words rendered in English]. It is an undeniable fact that the rule of law plays a major role in building a democratic state. Thus, in a very important matter such as the national convention, it is evident that laws cannot not be pushed aside. Furthermore, one crucial point to consider is that since the forthcoming national convention is to prescribe the basic principles of drawing up a constitution, the convention marks a very important beginning of legislation. Thus, this is essential: lawmakers should not be lawbreakers [preceding five words rendered in English]. The entire national populace, various political parties of legal standing, and we must give preference and strive for the successful holding of the upcoming national convention. If any internal or external threats arise to attempt to destroy our noble objective, we must defend it hand in hand with the people and in accordance with law. [passage omitted]

Esteemed delegates: If we draw a conclusion, our coordination meeting will be considered a success. This success will be achieved because esteemed delegates have been able to provide good suggestions and proposals in accordance with my guideline from the opening speech on the first day that the objective of discussions should be the holding of the national convention. We have respectfully put on record these suggestions and proposals. We must scrutinize and make suggestions and proposals based on those presented by esteemed delegates in order for these ideas to be closest to the suggestions and proposals made by the esteemed delegates, and to also be practical at the same time. Our steering committee will submit the final findings to the SLORC within a month in accordance with Paragraph 3 of SLORC's Notification No.35/92 and Paragraph 8-E of SLORC's Order No. 9/92 issued on 28 May 1992. [passage omitted]

SLORC Chairman Than Shwe Greets Party Leaders

BK1007112992 Rangoon Radio Burma in Burmese 0934 GMT 10 Jul 92

[Text] General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] and commander in chief of the defense services, greeted the leading elected representatives of political parties and independent elected representative who attended the coordination meeting on the convening of the National Convention, which was held at the meeting hall in the compound of the President's House on Ahlone Road in Yangon [Rangoon] at 1300 today.

SLORC Chairman Gen. Than Shwe, accompanied by Maj. Gen. Khin Nyunt, SLORC secretary-1; Maj. Gen. Tin U, SLORC secretary-2; Rear Admiral Than Nyunt, Navy commander in chief; Maj. Gen. Thein Win, Air Force commander in chief, and responsible personnel arrived at the compound of the President's House on Ahlone Road in Yangon at 1300 this afternoon and cordially greeted leading elected representatives of political parties and independent elected representative who attended the coordination meeting on the convening of the National Convention.

Gen. Than Shwe and entourage left the compound of the President's House at 1310.

Police Seize Over 1 Kg Heroin in Northern Town

BK0807142392 Rangoon Burma Television Network in Burmese 1330 GMT 8 Jul 92

[Text] The state government has been performing narcotic drugs suppression activities as a national duty with increased momentum on all fronts. On 20 June, according to a tip off, personnel from the Katha special narcotic squad searched passenger vehicles going from Bhamo to Naba in front of Katha police station. They discovered a total of 1.102 kgs of heroin from the knapsack of passenger Ohn Maung, which was wrapped in plastic and hidden in 46 soap boxes. The Katha police station has booked Ohn Maung, 39 years old, son of U Swa Tin, and resident of Bhamo, with first informant case no. 257/92, and under sections 6-A, 6-B, 7-A, 7-B, 10-B, and 14-D, of the Narcotic Drugs Law.

Japanese Vice Foreign Minister Begins Visit

BK1307072892 Rangoon Burma Television Network in Burmese 1330 GMT 12 Jul 92

[Text] At the invitation of U Ohn Gyaw, minister for foreign affairs of the Union of Myanmar [Burma], Mr. Koji Kakizawa, Japanese parliamentary vice foreign minister, and a two-member delegation arrived in Yangon [Rangoon] by air this evening.

The parliamentary vice foreign minister and delegation were welcomed at Yangon airport by responsible personnel from the Ministry of Foreign Affairs, Japanese Ambassador Mr. Tomoya Kawamura, and embassy officials.

[Tokyo KYODO in English at 2302 GMT on 12 July, in a similar report, adds: "Kakizawa is scheduled to meet with Myanmar leaders before leaving Yangon on Tuesday evening.

"He is the most senior Japanese official to visit Myanmar since the military took power in September 1988."]

Meets Khin Nyunt 13 Jul

BK1307141292 Rangoon Burma Television Network in Burmese 1330 GMT 13 Jul 92

[Text] Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma], received Mr. Koji Kakizawa, Japanese parliamentary vice foreign minister, who is currently in Yangon [Rangoon], at the Defense Ministry's Dagon House at 1300 today. [Tokyo KYODO in English at 1345 GMT on 13 July, in a similar report, adds: "Japanese Parliamentary Vice Foreign Minister Koji Kakizawa on Monday called on Maj. Gen. Khin Nyunt, a secretary of Myanmar's ruling military junta and discussed bilateral matters, the state-run Myanmar News Agency said.

"His talks with Khin Nyunt, secretary of the State Law and Order Restoration Council, lasted for over one hour, the agency said."]

Present at the ceremony were Foreign Minister U Ohn Gyaw and Japanese Ambassador Mr. Tomoya Kawamura.

Meets Trade Minister Abel

BK1307141492 Rangoon Radio Burma in Burmese 1330 GMT 13 Jul 92

[Text] Mr. Koji Kakizawa, Japanese parliamentary vice foreign minister, and delegation accompanied by Japanese Ambassador Mr. Tomoya Kawamura called on Brigadier General Abel, minister for planning and finance and for trade, at the Ministry of Trade at 1400 today. Bilateral economic cooperation matters were discussed at the meeting.

Present at the occasion were Brig. Gen. Win Tin, deputy minister for planning and finance; U Win Naing, deputy minister for trade; and responsible personnel from the Ministry of Planning and Finance and the Ministry of Trade.

Meets Foreign Minister U Ohn Gyaw

BK1307143692 Rangoon Radio Burma in Burmese 1330 GMT 13 Jul 92

[Text] Mr. Koji Kakizawa, Japanese parliamentary vice foreign minister, who is currently in Yangon [Rangoon], called on U Ohn Gyaw, minister for foreign affairs, at the Foreign Ministry's annex building at 1000 today.

Present at the ceremony were Japanese Ambassador Mr. Tomoya Kawamura and responsible personnel from the Ministry of Foreign Affairs.

The visiting vice foreign minister paid respects at the Shwedagon Pagoda in the morning and visited the Japanese school on Diplomats' Road.

Foreign Minister U Ohn Gyaw hosted a dinner in honor of the visiting vice foreign minister at the People's Park Restaurant in the evening.

Cambodia

Khieu Samphan Sends Letter to UN's Butrus-Ghali

BK1107024292 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 10 Jul 92

["Message of His Excellency Khieu Samphan, member of the Supreme National Council and chairman of the Party of Democratic Kampuchea, to His Excellency Butrus Butrus-Ghali, UN secretary general"; dated 9 July—read by announcer]

[Text] Phnom Penh 9 July 1992

To His Excellency [H.E.] Butrus Butrus-Ghali, secretary general of the United Nations, New York

Your Excellency:

First of all, I would like to again express my profound thanks to you for paying attention, constantly providing assistance, and supporting our nation's cause and national sentiments; and for the close and firm friendship of Your Excellency for Cambodia and the Cambodian people. The fact that you have paid attention to the correct implementation of the 23 October 1991 Paris agreement testifies to this.

The Party of Democratic Kampuchea [PDK], which has signed this agreement, would like to stress again that we continue to firmly and absolutely stand by this 23 October 1991 Paris agreement. This agreement is law for all of us. Furthermore, we have already shown our sincere cooperation with H.E. Yasushi Akashi, special representative, and H.E. John Sanderson, commander of the UN peacekeeping force, to implement this Paris agreement correctly, fully, and without bias. It is in this spirit that we have proposed the speediest implementation of two key points of the Paris agreement, namely:

1. Control of the withdrawal of all types of foreign forces from Cambodia and prevention against their return;
2. Measures to enable the Supreme National Council [SNC] to fulfill its mandate as the legitimate and sole source of power in Cambodia during the transitional period.

All this is not imposing preconditions. According to the spirit and essence of the agreement, some points have to be implemented before others so that the implementation of the comprehensive agreement is balanced to avoid complex and insoluble problems, and to avoid diverting this agreement from the basic goal, which is providing genuine peace, independence, and national reconciliation and people's right to self-determination.

Implementing these two key points would enable the start of the second phase and would allow the unbiased implementation of the Paris agreement and create mutual trust—which are necessary conditions for national reconciliation—and create a neutral political atmosphere. Otherwise, there can be no general, free, and fair election.

In Tokyo, along with the ministerial meeting on Cambodia's rehabilitation and reconstruction, there was a discussion among Cambodian parties and other concerned parties on 21 and 22 June. A number of common points emerged from the discussion. With a sincere desire for a speedy and comprehensive implementation of the Paris agreement with everyone being equal, the PDK put forward a two-point proposal dated 27 June 1992 concerning the cooperation between the UN Transitional Authority [ach-nha thor bandaoh asan angka sahak pracheacheat] and the SNC, as forwarded to you the same day.

The first and most important point has been stressed and detailed in my message dated 3 July 1992 to H.E. Yasushi Akashi, special representative of the UN Secretary General and head of the UN Transitional Authority. I would like to enclose a copy of this letter for your information.

Everyone, including H.E. Yasushi Akashi with whom I have talked many times, agrees with us that during the transitional period in Cambodia, there should be no other government; there should be only the SNC and UN Transitional Authority which should closely cooperate.

Some opinions, however, have affirmed that the so-called Phnom Penh government should be maintained because this is the existing administrative structure. Such a view is not reasonable because the government is a political organization and the administrative structure is an executive technical machinery. Such a view runs counter to the spirit and essence of the Paris agreement and international law. Such an interpretation is aimed at serving a clear policy. The Cambodian people cannot accept this. Such a view cannot bring peace, independence, and national reconciliation in Cambodia.

The so-called Phnom Penh government is organized by foreign forces, namely the Vietnamese agressors, to use as an instrument in committing aggression against and occupying Cambodia. The Cambodian people are suffering daily in towns and rural areas, particularly in the latter, from killing, execution, violation, arrest, imprisonment, and all kinds of human rights violations by the so-called Phnom Penh government. This is why General De Gaulle did not allow the Vichy government to be maintained.

Your report, dated 19 February 1992, to the UNSC concerning the implementation of the Paris agreement, recognized that in Cambodia there are only:

1. The SNC, which is the partner of the United Nations in Cambodia. The secretary general's special representative should constantly consult and hold discusssions with the SNC in carrying out the UN mandate.
2. All four Cambodian parties are named as follows: the Cambodian People's Party (paragraph 114 of the report); the Party of Democratic Kampuchea (paragraph 117); the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia or FUNCINPEC (paragraph 118); and the Khmer People's National Liberation Front (KPNLF) (paragraph 118).

Our 27 June 1992 propcsal is correct in accordance with the spirit and essence of the Paris agreement and the above report. It is a just and reasonable proposal. Only by implementing this proposal can the Paris agreement be implemented correctly, without bias, and comprehensively with everyone being equal, and can the second phase promptly begin.

The second phase is part of the Paris agreement, which the PDK has never rejected. Going into the second phase, however, without implementing the two key points, particularly the one dealing with the fact that there should be no government in Cambodia, is like handing over Cambodia to the control of the so-called Phnom Penh government. More specifically, it is like handing over Cambodia to Vietnam because the so-called Phnom Penh government is a thing Vietnam has set up and is Vietnam's tool. If this so-called Phnom Penh government is maintained, one cannot control and ensure that foreign forces are withdrawn from Cambodia and that these forces return. A neutral political atmosphere cannot be created, which is a necessary condition for free and fair elections. This is because this so-called Phnom Penh government hides foreign forces in Cambodia; it is the one that allows Vietnamese settlers to flow constantly into Cambodia.

According to reliable sources, there are 700,000 Vietnamese settlers who have been naturalized as Cambodians. Is the UN Transitional Authority aware of this situation? Has the UN Transitional Authority sought out measures to solve this issue? What is to be done to end this Vietnamization policy if the so-called Phnom Penh Government—Vietnam's political tool—is not discarded?

This is a vital issue which should be solved urgently; it can no longer be ignored. It is regrettable that the unofficial documents in Tokyo did not talk about this urgent issue. The PDK only wants a just solution so that the Cambodian nation and people can live, as they have requested, in peace, honor, independence, and national reconciliation among nations the world over.

We have frequently stated that in the future Cambodia should have a multiparty liberal democratic regime and market economy within the framework of genuine national reconciliation and full respect for human rights. The Paris agreement is an reconciliatory agreement to solve the conflict in Cambodia comprehensively. It is not an agreement allowing one party to win against another party or allowing one party to dominate others. It is a reasonable reconciliation with honor. This agreement should be implemented comprehensively.

The issue the PDK has raised is not a special issue of the PDK or only in the interests of the PDK. It is an issue dealing directly with the life of the Cambodian nation and people. If the Paris agreement is not correctly and comprehensively implemented with everyone being equal, then the goal of the agreement will not be achieved. Cambodia's peace, independence, and national reconciliation also will not be achieved. Cambodia will become a second Kampuchea Kraom [former Cambodian territory now part of southern Vietnam].

In just 20 or 30 years, the Cambodian nation will no longer exist. No Cambodian can accept this situation regardless of their status or wherever they are, in and outside the country. Our PDK cannot go against this will of the Cambodian people. In the vital phase of the implementation of the Paris agreement—a phase vital to the Cambodian nation and people—I would like to ask Your Excellency, who has always been kind and just, to please consider our great worry, which is in fact the worry of the entire Cambodian nation and people.

I would like to thank Your Excellency if you could forward copies of this letter to all UNSC members for their information.

Please accept my highest consideration.

[Signed] Khieu Samphan, chairman of the PDK and SNC member.

Democratic Kampuchea Communique on Referendum

BK1107075392 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 10 Jul 92

["Communique of the National Army of Democratic Kampuchea and the Cambodian people on the genuine role of the Supreme National Council, which is the real source of power representing Cambodia's sovereignty, independence, and unity in the transitional period; there is no other state authority in Cambodia"; dated 9 July 1992]

[Text] We fully assist and support the two-point proposal of the Party of Democratic Kampuchea [PDK], particularly concerning the Supreme National Council [SNC]. We would like to take this opportunity to specify the following:

1. Respecting the 23 October 1991 Paris agreement, which clearly stipulates that the SNC is a legitimate body and the sole source of power representing Cambodia's sovereignty, independence, and unity during the entire transitional period, the National Government of Cambodia [NGC] has already dissolved itself in order to hand over rights and power to the SNC to proceed with the implementation of the Paris agreement in cooperation with the UN Transitional Authority.

2. However, the National Army of Democratic Kampuchea [NADK] and the Cambodian people very much regret that for eight months, the Paris agreement concerning the SNC role has not been implemented. On the contrary, it has been grossly interpreted that the Paris agreement does not specify the dissolution of any government. Through this gross interpretation, cooperation with the Vietnamese aggressors exists to maintain the puppet regime propped up by the Vietnamese aggressors in 1979 and allow it to administer and run Cambodia's affairs as the so-called State of Cambodia.

However, the NGC, which is the legitimate one, unilaterally dissolved itself out of respect for the spirit and essence of the 23 October 1991 Paris agreement on the role of the SNC.

3. In such a situation the NADK and the Cambodian people have no other choice than to reserve the right to propose that the NGC resume its activities in every field and sector both inside and outside the country.

4. In the event that the NGC cannot proceed for any reason, the NADK and the Cambodian people propose that the government of Democratic Kampuchea, which used to exist in Cambodia, lead the struggle against the Vietnamese aggressors by resuming activities in every field and sector inside and outside the country.

5. We think that if a gross interpretation is made to maintain the regime that the Vietnamese aggressors propped up in 1979 as a government administering and running Cambodia's affairs, then the government which used to exist in Cambodia and led the Cambodian people in the struggle against the Vietnamese aggressors also has the right to resume its activities in every field and sector.

Therefore, the UN Transitional Authority, the illegal government of the State of Cambodia propped up by Vietnam, the SNC, the NGC, and the government of Democratic Kampuchea will all exist.

6. In this case, we would like to ask: Does that reduce existing differences, or rather increase conflicts and complexity, making the situation an acute one in which it is very difficult to find a way out for implementing the Paris agreement? Thus, can the goal of the Paris agreement of ending Vietnam's war of aggression in Cambodia and restoring Cambodia's independence, peace, unity, and nonaligned status be achieved?

7. Furthermore, we ask: Who is the root cause of war in Cambodia? Who is preventing the SNC from playing a role as the sole source of power in Cambodia during the transitional period? Who is preventing the SNC from cooperating with the UN Transitional Authority to implement the Paris agreement? Who is maintaining the regime propped up by Vietnam to run the country alone while eliminating the government of others and eliminating the role of the SNC, which the Paris agreement clearly says is the sole source of power in Cambodia during the transitional period? The issue is just this clear-cut.

8. The Cambodian people inside and outside the country, like the Cambodian national resistance forces and the NADK, want everyone to correctly interpret the agreement on the role of the SNC in accordance with the 23 October 1991 accord. However, if groups keep repeating at will—using this or that pretext—that Democratic Kampuchea is hindering the implementation of the agreement, the NADK and the Cambodian people will demand the implementation of the Paris agreement in accordance with the 23 October 1991 accord, particularly the correct implementation of the real essence of the role of the SNC.

If accusations continue to be levelled at one another, we propose that a referendum be held to decide on the matter. This referendum can be held among people in Phnom Penh with a neutral and responsible committee in charge of organizing it.

Khmer Rouge To Raise Currency Issue With SNC

BK1207004692 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 11 Jul 92

["Communique of the Party of Democratic Kampuchea's finance department for people in liberated and semi-liberated zones of the Party of Democratic Kampuchea on bank notes"; dated 5 July—read by announcer]

[Text] 1. People in liberated and semi-liberated zones have loudly complained that in liberated zones the riel currency of Vietnam's puppets is no longer in use. People have been using barter in liberated zones for four or five years; it is the same situation for the majority of people in semi-liberated zones. People complain that there are transport difficulties in using barter. Transport is already difficult in the dry season; it is even more so in the rainy season.

For this reason people in liberated and semi-liberated zones propose that new Democratic Kampuchean bank notes be printed and put into circulation to facilitate transactions. Following the 23 October 1991 Paris agreement, the Supreme National Council [SNC] is the only source of power representing Cambodia's sovereignty, independence, and unity during the entire transitional period. Therefore, the people have requested that the SNC consider printing new bank notes for people to use with guarantees because the riel bank notes of the puppets are as cheap as wastepaper. Vietnam and its puppets have printed heaps of these bank notes to buy goods from the people. Our people cannot use this puppet currency to buy anyuthing; no one uses it.

2. Concerning this proposal, the Party of Democratic Kampuchea [PDK] has in the past not yet solved this problem for the people because we reason that now that there is the SNC—which is the sole source of power during the transitional period—we will let the SNC discuss and solve this.

We, however, have been waiting for eight months. The SNC, the sole source of power, has a role only on paper. The puppet regime is still maintained to run Cambodia in every field and the puppet riel currency continues to be used.

3. Therefore, to solve the people's problems in the PDK's liberated and semi-liberated zones, the PDK will raise this currency issue for the people in liberated and semi-liberated zones at SNC meetings.

4. The PDK would like to inform the people in liberated and semi-liberated zones that only when the SNC does not solve this issue will the PDK start printing new bank notes at the request of the people in the PDK's liberated and semi-liberated zones.

[Dated] 5 July 1992
[Signed] PDK's Finance Department

Only Cambodians Urged To Vote in Election

BK1207064892 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 12 Jul 92

[Text] The National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia [FUNCINPEC] party, chaired by Prince Norodom Ranariddh, on 10 July issued a note saying the Cambodian parties' wish, announced at the 10 June meeting of the Supreme National Council [SNC], was not taken into consideration in drafting an electoral law for Cambodia. The 10 June SNC meeting issued a communique saying that the four Cambodian parties unanimously agree that only the Cambodian people are entitled to participate in an electoral process. And His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and SNC chairman, also endorsed this issue at that meeting.

In light of the communique, the FUNCINPEC party wish to reassert that only the Cambodian people qualify for casting their ballots in a UN-organized-and-supervised elections. Only by doing so can the elections conform with the Paris accord, the UN charter, and Cambodia's sovereignty.

As for criteria for recognizing the Cambodian citizens, the FUNCINPEC party is of the opinion that this is a technical issue that can be further discussed.

On the registration of eligible Cambodian voters living abroad defined in the electoral bill, the FUNCINPEC party proposed that the registration should be carried out in safe places, such as in Europe, North America, and Australia.

Communique on Outcome of SNC's 8 Jul Meeting

BK1107014092 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 10 Jul 92

["Communique on the meeting of the Cambodian Supreme National Council on 9 July 1992"; read by announcer]

[Text] The Cambodian Supreme National Council [SNC] held a meeting under the lofty chairmanship of His Royal Highness [HRH] Prince Norodom Sihanouk, head of state of Cambodia and SNC chairman, with the participation of Yasushi Akashi, special representative of the UN Secretary General in Cambodia, at 1500 on 8 July 1992 at Khemarin Palace.

Also attending the meeting were representatives of the UN Security Council [UNSC]'s five permanent members; the representative from Indonesia, cochairman of the Paris conference on Cambodia; and a number of observers.

1. Review of new developments:

HRH Prince Norodom Sihanouk announced that he has been trying to persuade one party, which has not shown its (?determination) to accept the unofficial documents in Tokyo. He cannot, however, guarantee that this party would cooperate.

Akashi reported on the procedures of troop cantonment and other activities of UNTAC [UN Transitional Authority in Cambodia]. He stressed that no one party would be allowed to take advantge of this situation.

2. Examination of the unofficial documents in Tokyo:

Statements were made by HRH Prince Norodom Sihanouk, Yasushi Akashi, Khieu Samphan, Son Sann, Hun Sen, the representative of the United States acting as mediator, and the French ambassador.

HRH Prince Norodom Sihanouk and three parties affirmed their support for the unofficial documents in Tokyo. Another party, however, did not express its agreement with these unofficial documents. Khieu Samphan said that the speedy implementation of Democratic Kampuchea's proposal dated 27 June 1992 would allow the second phase to be implemented as far as possible. The continuation of the second phase without implementing the key procedures, and especially with the (?influence) of the government in Cambodia, would put Cambodia under the control of the so-called government propped up and controlled by foreign forces.

(?Son Sann) made an appeal [words indistinct] of the Cambodian people who have been suffering for over two decades.

Akashi expressed his agreement with the statement made by the mediator who said that the three parties have no (?preconditions) for the agreement [words indistinct] of the existing government or the Cambodian Government, particularly does not talk about the necessity to dissolve or dismantle the government. The best way to deal with the activities taken by the government [words indistinct] with Akashi. And if there is no full cooperation, the three parties that have taken part in the second phase can continue without using any unnecessary preconditions as pretext.

Akashi [words indistinct] concerns of all parties that have implemented the plan of the Paris agreement and said that he will report the result of the meeting and the tension of the situation to the UN Secretary General (?and/who) forward this matter to the UNSC and wait for instructions. Akashi proposed that during the period efforts are being made [words indistinct] political and military issues. Talks on the economic and social aspects of the implementation of the Paris agreement will be made at the next meeting.

3. Miscellaneous:

(?The next meeting of) the SNC will be on 16 July 1992 at 0900.

French Condemnation of Khmer Rouge Noted

BK1207051092 Phnom Penh SPK in English 0414 GMT 12 Jul 92

[Text] Phnom Penh SPK July 12—France has strongly condemned Khmer Rouge for their refusal, during the SNC [Supreme National Council] meeting held here on July 8, to implement the Cambodian peace plan signed in Paris last year.

The plan envisages that during the crucial Phase Two 70 percent of all Cambodian factions troops be disarmed and demobilized and the remaining 30 percent put into U.N. supervised cantonments.

A statement released by French Embassy here said: "Discussions during past weeks showed that all other signatories of the Paris accords have unanimously rejected Khmer Rouge's demands for renegotiating the accords as well as for the right of veto for their participation in the peace process.

Three Cambodian factions, the Phnom Penh government, KPNLF [Khmer People's National Liberation Front] of Son Sann, and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] of Prince Ranariddh, have seriously complied with Phase Two which started since June 13 by regrouping their troops in the U.N. controlled cantonment sites and giving access and facilities to UNTAC's personnel in zones under their control.

Recently, Khmer Rouge, who also signed the Paris peace accords to end decades of civil war in the country, have raised a series of demands as pre-conditions for their implementation of the accords.

Referring to the Khmer Rouge's rigid attitude, French Foreign Minister Roland Dumas said in Paris on June 17 that France, a key broker of the Paris peace agreement on Cambodia, has taken strong diplomatic steps with China and Thailand to disarm Khmer Rouge.

However, he said: "I have always thought the Khmer Rouge would remain the Khmer Rouge".

UNTAC Inspects Cantonment Site in Svay Rieng

BK1307055892 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 13 Jul 92

[Report by station correspondent on inspection of troop cantonemnt in Svay Rieng Province—portions recorded]

[Summary] General Michel Loridon, deputy military commander of the UN Transitional Authority in Cambodia [UNTAC], accompanied by General Phuong Siphan, senior lieutenant general, deputy chief of staff of the Cambodian People's Army, and many foreign military officers, inspected the cantonment of weapons and troops of the State of Cambodia in Romeas Hek District, Svay Rieng Province on 11 July. The site is under the guard of a company of Bulgarian troops.

The officials arrived at the site by a UN helicopter at 1000 and were greeted Kim Nang, vice chairman of the Svay Rieng provincial people's committee; Major General (Un Sarin), deputy commander of the 2d Military Region; and many foreign military officiers stationed there.

The commander of the Bulgarian troops welcomed the delegation. Colonel Prak Phoeun, commander of the Svay Rieng provincial forces, read a report describing efforts to assemble troops and weapons in the province. Local figure Kim Nang then thanked all the officials for their presence at the ceremony and pledged to cooperate with UNTAC to implement the second phase of the Paris peace agreement.

In his speech, UNTAC General Loridon voiced UNTAC's determination to assist in the implementation of the Paris peace agreement in Cambodia.

Bulgarian UNTAC Troops Threaten To Leave

BK1207104692 Hong Kong AFP in English 1031 GMT 12 Jul 92

[By Sheri Prasso]

[Text] Phnom Penh, July 12 (AFP)—A Bulgarian infantry battalion serving as part of the U.N. peacekeeping forces in Cambodia threatened Sunday to leave the country unless its soldiers received adequate salaries and food.

In a petition delivered to AFP, 595 Bulgarian soldiers stationed north of Phnom Penh said they would pack up and go home if their demands were not met by July 23.

"If our government doesn't give us our money, we want our contract finished and we go back to Bulgaria," Valentine Georgiev, the soldier who delivered the petition, said in halting English.

"Our food is very bad," Georgiev said, adding that his battalion has been forced to endure poor living conditions.

The petition, on official U.N. stationery, was addressed to the president of Bulgaria.

Georgiev, accompanied by sergeants Hristo Ivanov and Dimitar Jordanov, said they were supposed to receive 980 dollars per month for serving in the U.N. peacekeeping forces.

However, they have only received just under half of the pay they were promised since arriving here June 2 for their peacekeeping mission, the three soldiers said.

"I don't know where is the 548 dollars," Georgiev said.

In June, Russian helicopter pilots, contracted to fly transport missions under the U.N. flag here, told a similar story of having half of their U.N.-paid salaries withheld by their government and military commanders back home.

The Russian pilots had also threatened to go on strike until they were provided with flak jackets for protection after being shot at on an almost daily basis by Khmer Rouge guerrillas and undisciplined government soldiers.

Following a sixth shooting incident involving helicopters Thursday, the U.N. military command sent a letter to Khmer Rouge leaders asking their troops "to refrain from open acts of aggression against U.N. forces," spokesman Eric Falt said.

Two helicopters flying south of the Khmer Rouge gem-mining town of Pailin near the Thai border were attacked by automatic weapons fire. A bullet hit the rotor blade of one of the helicopters, but the pilots were able to fly back to Phnom Penh without injury, Falt said.

The United Nations has taken "very seriously" a report that 3,500 dollars has been offered by Khmer Rouge commanders to any guerrilla who shoots down a U.N. helicopter, Falt added.

A U.N. spokesman said Saturday that it had ordered 1,000 flak jackets for the pilots and helicopter passengers at a cost of 300,000 dollars.

UNTAC Helicopter Fired Upon in Kompong Cham

BK1107073892 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 10 Jul 92

[Excerpt] Reports from Batheay District, Kompong Cham Province, say that on 4 July, a helicopter of the UN Transitional Authority flew over the area held by puppet soldiers about 7 km south of (Kompong Ba Srov) Village, Batheay District, Kompong Cham Province.

Eyewitnesses say that three puppet soldiers fired on this UN helicopter. The reports further said that Vietnam's puppet soldiers fired on the UN helicopter because they are angry at not being paid by the Vietnamese and puppet leaders. [passage omitted]

Malaysian Defense Minister Begins Visit 10 Jul

BK1107141492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 11 Jul 92

[Text] A delegation led by His Excellency [H.E.] Mohamed Najib bin Tun Haji Abdul Razak, Malaysian defense minister, arrived at Pochentong Airport on the afternoon of 10 July for a fact-finding visit to the State of Cambodia. On hand to welcome the delegation were H.E. General Ke Kimyan, first deputy defense minister and chief of the General Staff of the Cambodian People's Armed Forces, and several high-ranking officials from the Defense Ministry.

H.E. Deva Mohamed Ridzam, Malaysian special envoy to Cambodia, and many officers of the UN Transitional Authority in Cambodia were also present.

Meets Khmer Rouge Leader Khieu Samphan

BK1207152892 Kuala Lumpur Radio Malaysia Network in Malay 1430 GMT 12 Jul 92

[Text] Malaysia and other ASEAN countries are ready to help the Khmer Rouge solve the Cambodian issue. Defense Minister Datuk Sri Mohamed Najib bin Tun Haji Abdul Razak said ASEAN member countries have always adopted an open-minded attitude on the issue. He said he had briefed Khmer Rouge leader Khieu Samphan on this. The Khmer Rouge are reluctant to comply wit h the second phase of the UN peace plan and will not surrender their weapons unless the Cambodian Supreme National Council increases its role, the Phnom Penh Government is dissolved, and Vietnam withdraws all its troops from Cambodia. Datuk Sri Mohamed Najib arrived in Phnom Penh on Friday for a visit to the Cambodian capital and Battambang, which is the headquarters of the Malaysian peacekeeping force under the UN Transitional Authority in Cambodia.

Discusses Peace Process With Hun Sen

BK1307022492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 12 Jul 92

[Text] His Excellency [H.E.] Hun Sen, vice chairman of the Cambodian People's Party Central Committee and chairman of the State of Cambodia's Council of Ministers, received a Malaysian Defense Ministry delegation led by H.E. Datuk Sri Mohamed Najib bin Tun Haji Abdul Razak, Malaysian defense minister, for a courtesy call and talks at 0900 on 11 July at the Council of Ministers office.

H.E. Hun Sen cordially welcomed H.E. Mohamed Najib and profoundly thanked Malaysia for its contribution to the peace process in Cambodia. On behalf of the State of Cambodia's Government and in his own name, H.E. Hun Sen sincerely praised the presence of Malaysian troops within the forces of UNTAC [UN Transitional Authority in Cambodia] operating in Battambang Province and having good relations with UNTAC and the Cambodian people, the local authority, and the people in Battambang Province.

H.E. chairman of the Council of Ministers informed his guests of the efforts of the State of Cambodia to correctly implement with all parties the Cambodian peace agreement signed in Paris on 23 October 1991 and which is currently entering the second phase. The State of Cambodia has complied with (?troop cantonment) to assist UNTAC (?and carried out control in many areas and units). In this process, however, the Khmer Rouge have refused to implement this agreement, thus hindering and delaying the Cambodian peace process.

Replying, H.E. Mohamed Najib profoundly thanked the State of Cambodia's party and government and H.E. Hun Sen for creating favorable conditions for him and his colleagues during the fact-finding visit to understand the peace process in Cambodia. H.E. Mohamed Najib also highly appreciated the efforts of the State of Cambodia's party and government to find peace in Cambodia with all parties under the lofty leadership of His Royal Highness Prince Norodom Sihanouk, Cambodia's head of state and chairman of the Cambodian Supreme National Council.

H.E. Mohamed Najib affirmed that Malaysia will provide all kinds of assistance to the peace process in Cambodia and in the country's reconstruction.

Sihanouk Accepts Italian Envoy's Credentials

BK1207073292 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 12 Jul 92

[Text] His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council [SNC], accepted credentials from Mr. Leopoldo Ferri de Lazara, Italian ambassador to the SNC at 1100 on 10 July at Khemarin Palace. The prince said on behalf of the SNC, he warmly welcomed the Italian ambassador's presence in Cambodia. The prince added that he would, in his capacity as the chairman of the SNC representing Cambodia, do his best to assist the envoy.

In his reply, Mr. Ferri said he would do his utmost to perform his task as the Italian ambassador to the SNC so as to improve the relations between Cambodia and Italy.

Ranariddh Meets Students in Phnom Penh 7 Jul

BK1207075292 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 12 Jul 92

[Text] Prince Norodom Ranariddh, chairman of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia [FUNCINPEC] party and member of the Cambodian Supreme National Council [SNC], met with 353 Cambodian students from various universities and faculties in the capital city on 7 July, according to the FUNCINPEC office in Phnom Penh. At the gathering, the prince briefed the students on the outcome of a recent meeting in Tokyo, the current situation in Cambodia, the results of SNC meetings, the issue of the Vietnamese presence in Cambodia, and the issue of free and general elections to be held in Cambodia in early 1993.

After Prince Norodom Ranariddh's address, the students expressed serious concern over the presence of countless number of Vietnamese in Cambodia, pointing out that the presence would affect the results of the elections to be held next year. They also voiced their apprehension over security in the country, and finally, they reaffirmed their staunch support to the FUNCINPEC party chaired by Prince Norodom Ranariddh.

Philippines

Subic Naval Base Redevelopment Plans Readied

HK1307025892 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 12 Jul 92

[Text] The Subic Naval Base will be in Philippine hands 30 September. Olongapo Mayor Richard Gordon, chairman of the Subic Bay Metropolitan Authority, says plans have been completed for alternative uses of the base once the United States has completely pulled out. Gordon said the tourist facilities inside Subic have been completed, and the World Bank is ready to lend $450 million to develop the base land.

Money Received From World Bank

HK1307025492 Quezon City MALAYA in English 13 Jul 92 p 3

[By Ellen Tordesillas]

[Text] Olongapo Mayor Richard Gordon yesterday said the Subic Bay Metropolitan Authority [SBMA] has obtained $450,000 from the World Bank to finance studies for the conversion of the Subic Naval Base into commercial use.

Gordon also said the Asian Development Bank is giving the Authority $2 million for the construction of basic infrastructures to start the conversion of the naval base.

Gordon also said that the SBMA has retained the services of Bechtel Corp, an American construction company headed by former U.S. Secretary of State George Schultz, to oversee World Bank-funded studies.

Gordon said the study will cover the land use, rules, and regulations and marketing and tourism plans.

The U.S. naval station will be turned over to the Philippines on Sept 15 and the Cubi Point on Dec 15.

"Cubi Point will be jointly used by Philippine military and commercial aviation" since it can handle flights to Hong Kong, Taiwan, and Singapore, Gordon said.

Gordon also said that so far the U.S. Navy has turned over to the SBMA 89 taxis with radio and will soon turn over the hospital including its equipment.

The Olongapo mayor also said that ship repair equipment including vehicles, cranes, and tools totalling $4.6 million will be given to the Philippines as excess defense articles.

The SBMA will also be able to acquire recreation facilities including horses, boats, bowling lanes, kitchens, and restaurants worth P20 million [pesos].

They will also be acquiring a 25-30 megawatt power generator from the Americans, Gordon said.

The conversion of Subic Naval Base to a commercial facility has been brought about by the rejection by the Philippine Senate of the treaty that would have extended the stay of U.S. Naval forces in the country for 10 more years.

The SBMA includes the 18,000 hectares in Subic Base, Olongapo City, and Subic.

Manila Sees No 'Hostilities' Over Spratlys

HK1307085492 Hong Kong AFP in English 0820 GMT 13 Jul 92

[Text] Manila, July 13 (AFP)—Philippine Defense Secretary Renato de Villa expressed confidence Monday that dialogue would forestall armed conflict among the six Asian nations claiming the Spratly Islands.

"I do not believe that hostilities will break out in the Spratlys because the dialogue on how to solve the problem peacefully through diplomatic ways and multinational dialogue is going on," he told journalists.

He said that as long as the dialogue continued and "for as long as we have friendly relations with all of the countries involved" the claimants can "prevent any development of tension, or even hostilities."

The Spratlys, a strategically-placed chain of 400 islands in the South China Sea believed to have rich mineral deposits, are claimed in whole or in part by China, Vietnam, the Philippines, Taiwan, Malaysia and Brunei.

In February China's parliament passed a law officially declaring the islands part of its territory and three months leased an exploration concession to a U.S. oil firm between the Spratlys and the Vietnamese coastline, raising tensions in the dispute, particularly with arch rival Vietnam.

The Spratly issue is expected to be a major concern at next week's foreign ministers meeting here of the Association of Southeast Asian Nations (ASEAN), which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

De Villa said the Philippines, which occupies eight of the islands, had not increased its troop presence in the Spratlys and had no plans to do so, but was closely monitoring "all the activities in our area of interest."

He said the Spratlys "could very well be an interesting subject" in the July 21-22 ASEAN ministers' meeting here, after which the ministers will meet counterparts from the United States, Japan and other allies.

Neutral Indonesia has hosted three unofficial conferences on the Spratlys, bringing together delegates from rival nations, but no solutions have been found.

Senator Fears 'Bloody' Clash

HK1307111092 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 13 Jul 92

[Text] Senator Blas Ople has expressed concern over the Sparatly issue, saying this may end up in a bloody confrontation. He asked the countries involved in this issue to resolve peacefully thier disagreement over the issue. Jojo Ismael reports:

[Begin recording in progress] ...must take the initiative to resolve the conflict over the Spratlys issue during the scheduled ASEAN ministerial conference in Manila on July [words indistinct]. The conference will be the best time to discuss and resolve any conflict over the Spratlys. Aside from regular ASEAN members, the conference will also be attended by representatives from the United States, Japan, Western Europe, Australia, New Zealand, and the DPRK.

Ople believes that any issues related to the Spratlys will be addressed and resolved at the conference. [end recording]

Visayas, Mindanao Congressman Wanted for Speaker

HK1307050292 Quezon City MALAYA in English 13 Jul 92 pp 1, 2

[By Ellen Tordesillas and Jodeal Cadacio—italicized passage published in Tagalog]

[Text] President Ramos has asked Reps. Jose de Venecia (Lakas-NUCD [Strength-National Union of Christian Democrats], Pangasinan) and Jose Cojuangco Jr., (Tarlac, LDP [Struggle of Filipino Democrats]) to give up their bid for the speakership and give way to a congressman from Visayas or Mindanao, a Lakas-NUCD source said yesterday.

The source said Ramos made the proposal in a meeting with the two congressmen Friday night.

But both De Venecia and Cojuangco yesterday were carrying on as if they have not heard of the word from Ramos.

De Venecia attended a meeting of the leaders of the Lakas-led "rainbow" coalition in the House. During the meeting the coalition leaders rejected calls for a working alliance with LDP.

Cojuangco, who accompanied Ramos on an inspection tour of lahar-ravaged areas in Tarlac, refused to confirm the President's proposal, saying, "I still want it (the speakership.)"

The source said Ramos feels the speakership should go to a congressman from the South because all the top officials (Ramos, Vice President Joseph Estrada, Senate President Neptali Gonzales, and Supreme Court Justice Andres Narvasa) are from Luzon.

"*There is no high-level representation for the Visayas and Mindanao,*" Ramos was quoted as saying.

A Speaker from the South will also get Ramos out of the fix he is in being forced to choose between two persons who helped him the most in getting to the Palace.

De Venecia, secretary general of Lakas-NUCD, was responsible for giving flesh to the shell of a political party to which Ramos turned to after losing the nomination of the Laban ng Demokratikong Pilipino.

Cojuangco is the younger brother of former President Aquino who anointed Ramos as her successor.

The source said those who may be tapped for Speaker are Antonio Cuenco (LDP, Cebu), Edilberto amante (Lakas-NUCD, Agusan del Sur) and Exequiel Javier (Lakas-NUCD, Antique).

Cojuangco, refusing to discuss the Friday meeting, said: "Let's talk about the rehabilitation program of Mt. Pinatubo victims first. Politics can come later."

Cojuangco said he believes the President will stand firm on his promise not to intervene in the speakership row.

Mrs. Aquino told LDP legislators last week she would ask "someone" she had helped to support her brother's bid for Speaker. Those who attended the meeting at the house of Mrs. Aquino's mother, Demetria Sumulong Cojuangco, said she was unmistakably referring to Ramos.

Cojuangco said he still has the support of the LDP congressmen and refused to comment on reports that the 30-member Independent Bloc of Rep. Ronaldo Zamora (LDP, SanJuan) has shifted support to De Venecia.

De Venecia said he has the support of 155 congressmen from Lakas-NUCD, Nationalist People's Coalition, Nacionalista Party [Nationalist Party], Liberal Party and Kilusang-Bagong Lipunan [New Society Movement].

Economic Intelligence Bureau Chief Appointed

HK1207014492 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 11 Jul 92

[Text] The Economic Intelligence and Investigation Bureau [EIIB] has a new leader in the person of retired General Servando Lara, a former regional director of the bureau. Lara was appointed to replace retired General Jose Almonte, who was appointed the new presidential adviser on national security and the new director general of the National Security Council.

In accepting the position, Lara promised to maintain the EIIB's good performance as the arch enemy of smugglers in the country.

Further on Appointments

HK1307024692 Manila PHILIPPINE DAILY INQUIRER in English 12 Jul 92 p 10

[Text] President Ramos yesterday appointed the chief of staff of his campaign bureau and seven others to key positions in government institutions.

Retired Brig. Gen. Rene Cruz was appointed commissioner of the National Police Commission and became the 10th former military man appointed by President Ramos to his administration.

Cruz was also deputy director of the Integrated National Police (INP) at the time when Mr. Ramos was chief of the Philippine Constabulary and director general of the INP.

The following were also appointed by the president:

—Rodolfo A. Gamboa, administrator of the Sugar Regulatory Administration (SRA). A lawyer from Negros, Gamboa was a former member of the board of the SRA, and director of both the Philippine Sugar Corp. and the National Sugar Refineries Corp.

—Jose Maria Silya, member of the Sugar Regulatory Board [SRB] representing the sugar planters.

—Bernard Trebol, member of the SRB representing the millers.

—Luis Villareal, Jr., executive director of the National Agricultural and Fishery Council of the Department of Agriculture.

—Aquilino L. Illera, member of the board of trustees of the Government Service Insurance System.

—Ramon Moratles, associate commissioner of the Bureau of Immigration.

—Bayani M. Subido, associate commissioner of the Bureau of Immigration.

During the week, Mr. Ramos also reappointed retired Commodore Tagumpay Jardiniano as administrator of the Export Processing Zone Authority, retired Col. Juanito Ferrer as chairman of the Philippine Veterans Investments and Development Corporation (Phividec) and retired Capt. Renato Valencia as administrator of the Social Security System.

Last week, Mr. Ramos appointed retired Brig. Gen. Jose Almonte, National Security Adviser; retired Brig. Gen. Honesto Isleta, press undersecretary; retired Maj. Gen. Jose Magno, general manager, Government Services and Insurance Systems; retired Brig. Gen. Virgilio David, Philippine Coconut Authority; retired Col. Guillermo Cunanan, manager, Airport; and retired Col. Guillermo Parayno, chief of Bureau of Immigration.

Local Secretary To Negotiate With Marcos Family

HK1107052292 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 10 Jul 92

[Text] President Fidel V. Ramos has appointed Secretary Rafael Alunan III of the Department of Interior Local Government to represent the government in negotiations with the Marcoses and to coordinate the return of former President Marcos' remains.

It has been learned that the government will maintain the same position as the former administration in insisting that former President Marcos' body should be flown directly to Laoag from Honolulu.

Talks Started With Communists, Rebel Soldiers

HK1307021592 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 12 Jul 92

[Text] The government has started informal talks with rebel soldiers and the communists. Defense Secretary Renato de Villa said President Ramos has given the go signal for the peace talks with the rebels, but De Villa stressed there was still no coordination in the emissaries' initiative. Ramos has named De Villa chief government coordinator for all peace initiatives with the rebels, except the Muslim separatists. De Villa did not identify the emissaries to the peace talks with the rightist rebels, but he said some are not defense officials. Congressman Jose Yap has been named negotiator in the dialogue with communist rebels, but De Villa said Ramos has not chosen the lead negotiator for talks with the Muslim rebels.

Honasan Willing To Talk

HK1307033792 Manila PHILIPPINE DAILY INQUIRER in English 12 Jul 92 p 12

[By Fe B. Zamora and Melinda A. Manalo]

[Text] Putschist Gregorio "Gringo" Honasan is willing to talk peace with the Ramos administration and has reiterated an eight-point agenda for the negotiations.

Honasan conveyed his willingness to discuss an end to his rightist rebels' quest for power during an 11:30 p.m. meeting Thursday with a high government official in a house in Makati.

The Honasan meeting was revealed early last night, a few hours after President Ramos met in Malacanang with several senators to discuss the amnesty issue. The discussion resulted in the preparation of a package of benefits which will include livelihood programs and scholarships for all types of rebels.

The official who met with Honasan said the putschist leader was with ex-Navy Capt. Felix Turingan, ex-PC [Philippine Constabulary] Lt. Col. Billy Bibit, and another rebel officer. The three rebel leaders are all members of the executive committee of the Rebolusyonaryong Alyansang Makabayan [National Revolutionary Alliance].

The government official, who spoke on condition of anonymity, said Honasan mentioned the following talking points:

—Reforms to ensure clean, honest, orderly and free elections.
—Dialog between the government and all political and social forces.
—Attainment of good, honest, and efficient government for national renewal and reconciliation.
—Immediate and irreversible withdrawal of foreign troops.

—Immediate and unconditional return of the body of former President Ferdinand Marcos for burial with appropriate honors.
—Implementation of nationalist economic policies and programs.
—Actualization of social justice programs to positively address poverty, unemployment and criminality.
—Address national defense and security concerns.

The government had no immediate statement on Honasan's proposal.

Earlier yesterday, Sen. Heherson Alvarez disclosed that Mr. Ramos was preparing a package of benefits which will include livelihood programs and scholarships for all types of rebels as part of his proposal to grant them amnesty.

Alvarez was among the senators who met with the President in Malacanang to discuss the proposed rehabilitation package.

But shortly after the meeting, the National Democratic Front [NDF], assailed the government for its failure to come up with a "substantive agenda" for peace talks with communist rebels.

Luis Jalandoni, NDF chairman for international affairs, said the Ramos administration "appeared to be negotiating with itself" since it continues to ignore a comprehensive proposal for peace talks earlier presented by the communist leadership to then President Aquino.

Jalandoni said the proposal includes social, political, constitutional, and economic reforms.

"The Ramos regime only focuses on amnesty, even as its generals pursue localized peace talks to induce the surrender of some rebels and split the revolutionary movement," Jalandoni added.

Alvarez said Mr. Ramos' amnesty proposal will include social and economic benefits, such as livelihood programs and scholarships.

He added that Mr. Ramos had designated the committee headed by Executive Secretary Peter Garrucho to study the benefits that would be given to rebels to lure them back to the fold of the law.

Sen. Arturo Tolentino, who also attended the meeting, said a decision has yet to be reached on whether to grant rebels unconditional or conditional amnesty.

"The principle is there—to grant amnesty—the problem is still on what type of amnesty to give rebels," Tolentino said.

Earlier, Interior and Local Government Secretary Rafael Alunan said different views on whether to grant unconditional or conditional amnesty to rebels were stalling Malacanang's decision to decide on the issue.

But Jalandoni belittled Mr. Ramos' amnesty proposal, saying it failed to tackle "the root causes" of the 23-year old communist insurgency in the country.

Jalandoni also called on Mr. Ramos to release all political prisoners to prove that the government is sincere in its peace and reconciliation program.

Muslim Rebel Leader Ready

HK1307111492 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 13 Jul 92

[Text] Major General Gumercindo Yap, Armed Forces of the Philippines Southern Command chief, has affirmed that Moro National Liberation Front [MNLF] leader Nur Misuari is prepared to talk with the Ramos administration. Josette Oliver reports:

[Begin recording] Yap said that based on reports he received, Misuari is ready to talk and come to terms with the Ramos administration to stop the fighting between the Muslim rebels and government troops in Mindanao. He strongly believes that Misuari will come to an agreement with Ramos' administration contrary to reports claiming he [Misuari] has rejected the offer of peace talks by the government. Yap stated he is not certain whether Misuari will accept the government's offer of amnesty or will voluntarily surrender to local authorities. Yap added that even the Moro Islamic Liberation Front headed by Hashim Salamat is also willing to hold a dialogue with the government. [end recording]

Granting Bail to Communist Party Chiefs Okayed

HK1007080192 Quezon City MALAYA in English 10 Jul 92 p 1

[By Joy Gruta and Romy Tangbawan]

[Text] Prospects of reopening peace negotiations with communist rebels were bolstered yesterday after the police posed no objections to the granting of bail to two top officials of the outlawed Communist Party of the Philippines [CPP].

Rafael Baylosis, alleged CPP secretary-general, and Benjamin de Vera, alleged member of the CPP central committee, will be released once they post bail, PNP [Philippine National Police] Director General Gerardo Flores said.

PNP Deputy Director Gerardo Flores said Baylosis and De Vera had promised him and Interior Secretary Rafael Alunan that they will not return to the underground movement once they are freed. The two officials met the rebel leaders in the inmates' cells in Camp Crame Wednesday [8 July].

Baylosis, De Vera and Romulo Kintanar, alleged NPA chief, were recently ordered released on bail by Judge Apolonio Chavez of the Pasig regional trial court.

Chavez recommended a bail of P350,000 [pesos] in surety bonds or P200,000 cash bonds for each rebel leader. The three were charged with illegal possession of firearms in furtherance of rebellion and insurrection.

"We are confident that the two will not be rejoining the underground movement," Flores said.

Flores, however, said the police oppose the release of Kintanar since they consider him "a security risk."

The chief of the Southern Command, meanwhile, said Muslim rebel chief Nur Misuari is set to arrive from self-exile in Jeddah, Saudi Arabia, in August.

Maj. Gen. Gumersindo Yap said the military does not know the reason for Misuari's return, but he said some 200 elite members of the Moro National Liberation Front will arrive in Sulu and Tawi-Tawi anytime this week from Malaysia.

He said the Muslim rebels have just undergone combat training in Malaysia and will serve as Misuari's advance fore.

Misuari earlier rejected the holding of peace talks with the Ramos government.

At the Senate, Sen. Rodolfo Biazon (LDP) [Struggle of Filipino Democrats] urged Malacanang to formulate an amnesty program that would be acceptable to military rebels.

But he said soldiers who again attempt to overthrow the government must be meted the death sentence.

Biazon, former chief of staff of the Armed Forces, said "bold steps" must be taken by the Ramos administration to prevent further coup attempts. He said the constant threats made by mutinous soldiers have been discouraging foreign investors.

He said while President Ramos has already laid the groundwork for peace negotiations with communist rebels, there has been no similar peace initiatives with rebel soldiers.

Editorial Supports Legitimizing Communist Party

HK1307021792 Quezon City MALAYA in English 11 Jul 92 p 4

[Editorial: "Communist Party"]

[Text] In all the current talk about extending amnesty to rebels from both the left and the right, one thing that has remained unmentioned is the possible repeal of the law outlawing the Communist Party of the Philippines. Yet this would seem to be an integral part of any process of extending amnesty to the NPA [New Peoples Army] and the Communists. And it would go a long way towards ensuring that Filipino Communists, no matter how many or few of them may be left in the future, will not again take up arms against the government but will pursue their programs and objectives through peaceful participation in democratic politics.

The law banning the Communist party has become totally obsolete and anachronistic in the light of Communism's downfall throughout the world. In fact it should never have been enacted at all in the first place. But the strength of the Hukbalahaps [People's Anti-Japanese Army] and their political arm, the Democratic Alliance, in the first elections after World War II, capturing almost all the congressional seats in Central Luzon, so frightened the reactionary ruling elite and their servitors in the armed forces that their instinctive response was to outlaw the Communist party.

The Huks/Communists didn't go away, of course. They took to the mountains and mounted an armed rebellion that might otherwise have found an outlet in peaceful democratic competition if they had not been outlawed. So many lives and so much treasure might have been saved.

Through the years, Filipino Communists have had to operate underground, and those who fell into the clutches of the authorities were, of course, imprisoned and indicted. They were all released by Cory Aquino when she was installed as president by the EDSA [Epifanio delos Santos Avenue] coup d'etat, but at the end of her term the public was astonished to learn there were more political prisoners under detention than when she took over. Those who had a chance to leave the country, like the ideological guru Jose Ma Sison, did just that.

If an amnesty is granted to the left, then all the Communists now confined will be freed and those in hiding or abroad may surface. But they will not be allowed to engage in political activity as Communists, if the ban on the party stays. What will they do? Apply to the Lakas [Strength] EDSA-NUCD [National Union of Christian Democrats], or the LDP [Struggle of Filipino Democrats], or the NPC [Nationalist People's Coalition]? These people have done nothing all their lives except politick and proselytize and once freed they will inevitably go back to the only vocation they know.

They will have to do it clandestinely, however, or else they will be subject to rearrest, if the law outlawing them remains in effect. Will they be sent back to prison? If that happens we'll be right back to square one and it should be a fair question to ask why an amnesty was issued in the first place. The same old vicious cycle will resume.

The Communist party should be legitimized and allowed to participate openly in our politics. The only condition the government should impose is that it renounce force and violence as a means of acquiring political power. Once legitimized it can field candidates for all positions, from President down to barangay official. It will then compete openly and publicly for the electorate's votes and its winning candidates will not be impeded from occupying the offices to which they have been elected.

It is not likely there will be too many of them. Communism has lost much of its attractiveness and mystique because of its collapse in the Soviet Union and Eastern Europe. Only a few countries remain faithful to the creed—China, where it is under considerable strain, North Korea, and Cuba. Of course the Philippines, where too few are too rich and too many are too poor, may continue to be fertile ground for its appeal and allure. But the Filipinos have seen the countries around them grow and prosper and not one of them has done it through the Communist route.

The fact of the matter is that the authorities have been rather tolerant in allowing the National Democratic Front to take part in the political process. But the time has come to let it all hang out without any further dissembling and pretense. If Communism is indeed a spent force, then nothing would expose this more clearly and unequivocally than open competition in the political arena and the free market of ideas. And this can happen only if the Communist Party of the Philippines is legitimized.

Thailand

Military Supports Peacekeeping Order Revocation

BK1107020392 Bangkok BANGKOK POST in English 11 Jul 92 p 2

[Text] The Armed Forces yesterday voiced full support for the Government's decision to end the supreme commander's power as internal peace-keeping director and to disband the Capital Security Command.

The Government revoked a prime ministerial order which established these measures.

Forces spokesman Lt-Gen Anuson Kritsanaserani told a press conference the change was proposed by Supreme Commander ACM [Air Chief Marshal] Kaset Rotchananin after consultation with all military chiefs and was made through Defence Minister Banchop Bunnak.

ACM Kaset had already made known that he did not mind if the order was scrapped and the Armed Forces supported this course, Lt-Gen Anuson said.

A Prime Minister's Office order issued with immediate effect on Thursday revoked a prime ministrial order issued in 1976 which made the supreme commander the internal peace-keeping director with the power to mobilise the military to quell internal unrest.

The same order also allowed the director to set up special commands and military forces.

Gen Banchop, confirming that the decision on internal peace-keeping was recommended by the military, said the Government will need to devise other ways to deal with any future unrest.

"We will need to meet and discuss the issue before I can give you more specifics."

Gen Banchop said Prime Minister Anan Panyarachun has already decided to hand over the task to the Interior Ministry and all government agencies involved will have to discuss how to enable the ministry to cope with the responsibility.

Government spokesman Montri Chenwitkan told a press conference on Thursday the Premier's action also means that all special commands and forces, such as the Capital Security Command which was highly instrumental in the crackdown on pro-democracy protesters on May 17-20, are also dissolved.

While expressing support for the Government's decision, Lt-Gen Anuson pointed out that the move has advantages and disadvantages.

The decision is in line with the public's wishes but the Government may have to set up special forces again in the case of violent internal unrest which needs military intervention, he said.

Lt-Gen Anuson said ACM Kaset does not consider the Government's move as an attempt to curtail the military's power.

ACM Kaset had told staff officers of the three Armed Forces to study the issue before he put the proposal to the Defence Ministry.

Asked whether the military had agreed to the change because of public demand, the spokesman said:

"We should consider the issue that way. It's more what the Government, the people and the military think all involved should do. We do not consider we are forced (to comply with the change).

"We realise what we should do under the circumstances and we happen to share the same view as others," Lt-Gen Anuson said.

"We realise that we, as well as others, cannot remain stubborn. I believe this will bring good results for the country.

"When the majority sees it this way the Armed Force will naturally have to agree. But don't believe that we were forced to accept it," Lt-Gen Anuson said.

The military is ready to follow the Government's policy, he said.

The Premier and the Defence Minister are high-level commanders of the Armed Forces and both consulted the military before taking their action.

Lt-Gen Anuson said that the personnel assigned to the CSD [expansion uknown] will return to their original posts in the Armed Forces.

The military has no objection to the transfer of the internal peace-keeping responsibility to the ministry.

Soldiers merely follow the orders of their commanders, although some of their actions have upset some people and have caused a backlash against the Armed Forces, he said.

"We do not mind if the duty is no longer the responsibility of the military."

Lt-Gen Anuson said he does not consider the Premier's action an attempt to reduce the military's role.

The Premier several times has made clear his policy to uphold the military institution by helping to enhance relations between the Armed Forces and the public.

"We always remember the Prime Minister's good intentions. We do not think the Prime Minister has such a purpose (to reduce the military's role). We understand him very well.

"We are pleased to follow his policy. The Prime Minister has emphasised that people must attach an importance to the military institution and he has promised to promote public understanding of the military.

"We regard this as sincere," Lt-Gen Anuson said.

Chatchai Declares Chat Patthana Party Formation

BK1207140392 Bangkok Radio Thailand Network in Thai 1200 GMT 12 Jul 92

[Text] General Chatchai Chunhawan, former prime minister and leader of Chat Patthana Party, today declared the formation of Chat Phatthana for the first time during a news conference at the Ambassador Hotel today. He pledged to accelerate the revival of the country's economy in terms of investment and tourism as well as solving the water shortage problem. Noting that politicians and former members of the House of Representatives have been very cooperative in forming the new party, he said:

[Begin Chatchai recording] I have noticed that the people feel insecure because the house has been dissolved while existing political parties are all in trouble. Therefore, we set up a new party with kind help from the Puangchon Chao Thai Party. The formation of the new party must be made quickly so that we can have time to file our candidates' entries for the 13 September general election. Many persons, especially General Athit Kamlang-ek, Prachuap Chaiyasan, Surat Osathanukhro, and many other people—with Kon Thappharangsi acting as a coordinator—helped to form this party.

Our party's policy is that we will not attach ourselves to any other party. We will be neutral and serve the people so that all feel secure. We welcome all politicians who share similar political beliefs to join our party. There are many urgent tasks. For example, something must be done in the areas of investment and tourism. If the investment situation improves, the stock market will rise. The stock market is currently in very bad shape, with the stock index averaging around 700 because no investors are coming to Thailand. We must improve the stock market. The index rose to 1,200 during my government's tenure. Investment and tourism are important. [end recording]

As for the party members who were former members of the five so-called devilish parties because of their involvment in the May incident, General Chatchai Chunhawan said those party members had nothing to do with the incident. The adjective devilish is applied only to the leading members of those five parties. He said:

[Begin Chatchai recording] There are no devils. Only those on the front line are devils. As for the coup d'etat, its plotters do not even dare to walk on the street. [end recording]

Ex-MP's Interested in Membership

BK1207023692 Bangkok BANGKOK POST in English 12 Jul 92 p 1

[Text] Former premier Chatchai Chunhawan will launch the Chat Phatthana Party today, formally marking his return to politics following the February 23 coup d'etat which overthrew his Government last year.

Suwat Liptaphanlop, a former deputy communications minister, said the Puang Chon Chao Party [PCCT] will meet today to change its name to Chat Phatthana and to appoint a new executive committee, which Gen Chatchai will lead.

Expected to join Gen Chatchai on the executive committee are former Samakkhi Tham Party [STP] advisory chairman Gen Athit Kamlang-ek, former STP members Surat Osathanukhro, PCCT executive member Maj Gen [Major General] Rawi Wanphen, former deputy foreign minister Praphat Limpaphan and former Chat Thai MP Pancha Kesonthong.

All are expected to be appointed deputy leaders of Chat Phatthana. There are expected to be nine deputy leaders and eight deputy secretaries general.

PCCT leader Col Phon Roengprasoetwit is expected to be made an adviser while Mr Suwat is expected to be made deputy to Kon Thapparangsi, who is expected to be secretary general.

Negotiations have been held between the Chat Phatthana leaders to get STP adviser Buntheng Thongsawatdi to join the new party.

Mr Buntheng is understood to have agreed to join former House Speaker Athit Urairat's Seritham Party.

Apart from breakaway factions from Chat Thai, STP and other parties, Chat Phatthana is expected to be joined by at least 10 former MPs from New Aspiration and some from the Democrats and Phalang Tham.

Mr Suwat, after a day-long meeting with Gen Chatchai and Mr Kon, said today's meeting at the Ambassador Hotel will be immediately followed by a press conference held by Gen Chatchai.

Mr Suwat, a former Samakkhi Tham MP for Nakhon Ratchasima, said yesterday's meeting was to prepare today's agenda.

Gen Chatchai has expressed concern at the country's economic situation, export problems and traffic congestion in Bangkok. He also paid special attention to land allocation problems for landless farmers.

Gen Chatchai is expected to speak on these problems at today's press conference, apart from explaining why he decided to break away from Chat Thai to join newly-named party.

Earlier this week he rejected Chat Thai's invitation for him to return as its leader.

Immediately after the February 23 coup last year, the general said he would wash his hands of politics. Since then he has spent most of his time in England before returning to Thailand late last month.

Mr Suwat said that so far more than 80 former MPs have expresed an intention to join Chat Phatthana and stand in the general election.

The party will give priority to former MPs, then academics.

He said so many people have shown an interest in joining Chat Phatthana as candidates but the party has to impose a screening process to obtain good people. The party expects at least 70 seats.

Former Chon Buri MP Charun Ngamphichet is among the deputy secretaries-general.

The party expects strong support in the Northeast. Gen Chatchai and Mr Kon plan to stand for the election in their former constituencies in Nakhon Ratchasima while Gen Athit is expected to run in Loei Province.

Mr Suwat said Gen Chatchai wants the party to contest Bangkok by fielding prominent candidate from academic and business circles.

Many MPs turned up at Gen Chatchai's residence where a religious rite was performed by Bhramins to bless Gen Chatchai and his new party. Mr Suwat, Det Bunlong, Pancha Kesonthong, Sihanat Lucha, Suchon Champunuch, Mai Sirinawaku and Chanchai Chairungrueng were among those attending,

Mr Det, a former MP for Nakhon Nayok and a close aide to Gen Chatchai, said more than 100 former MP want to join the new party but some might turn to other parties.

As a former member of Chat Thai he said the policies of the two parties are very much alike. If the law permitted, he would like to be member of both,

Mr Det, responding to a report that Chat Phatthana is prepared to pay four million to five million baht to support each of its candidates in the election, said the payment of such huge amount is against the law.

Democrat Party 'Shocked' by Leader's Defection

BK1307005592 Bangkok BANGKOK POST in English 13 Jul 92 pp 1, 3

[Text] The Democrat Party received a rude surprise after it was announced yesterday that its deputy leader Prachuap Chaiyasan had been elected secretary-general of the newly formed Chat Phatthana Party, headed by former prime minister Chatchai Chunhawan.

The departure of Mr Prachuap, a former Udon Thani MP who controls a number of former Northeast MPs, has dealt a severe blow to the burgeoning aspirations of the Democrat Party to capture a sizeable share of seats in the September 13 general election and install Chuan Likphai as the next prime minister:

Democrat leaders, apparently shocked by the sudden switch of its deputy leader, held an urgent meeting yesterday to discuss his defection.

Attending the meeting were party secretary-general Sanan Khachonprasat, party deputy leader Banyat Banthatthan, Niphon Phrompan and party spokesman Churin Laksanawisit.

They contacted Mr Chuan, who was in Trang, and informed him of Mr Prachuap's switch and also enquired the reacton of party members in the Northeast.

Spokesman Churin said the departure of Mr Prachuap was so sudden that the entire party was taken by surprise.

"Mr Prachuap had worked with the party all along. He even attended the last meeting to discuss election preparations for the Northeast.

"The party will hold an urgent meeting in a day or two after Mr Chuan returns from Trang tomorrow (today)," he said.

Asked if the party would be affected by Mr Prachuap's defection, Mr Churin said:

"We can't say that the party will not be affected by his departure.

"However, I don't think it would be serious to an extent that the party would collapse. The party will continue to function as normal," the spokesman said.

Mr Churin denied Mr Prachuap's departure was an indication of conflict between the party's Northeast and Southern factions.

He refused to say how many of the party's 12 former Northeast MPs would follow Mr Prachuap to Chat Phatthana.

However, Mr Churin said he has received assurances from some leading party members in the region such as Suthat Ngoenmun (Ubon Ratchathani), Phonthep Techaphaibun (Buri Ram), Niphon Phromphan (Nakhon Ratchasima), Watcharin Ketawandi (Loei) and Amnuai Patise that they would remain with the party.

Asked whether Mr Prachuap's move would harm the party's image, Mr Churin said it was a difficult question.

"The sure thing is that Mr Prachuap will have to explain to the people (about his move)," he added

The Democrat spokesman refused to comment on Chat Phatthana Party, saying only that it comprises former MPs from both the so-called "satanic" and pro-democracy parties.

"It's up to the people to make their own judgement, Mr Churin said.

Asked if Mr Prachuap's defection will give Gen Chatchai a definite edge over Mr Chuan in the race for the premier's post, Mr Jurin said it was premature to comment on that because "it's too early to say whether or not the Democrats and Chat Phatthana would together form the next government.

"Let's wait until after the elections," he said. Meanwhile, Mr Prachuap said he moved to Chat Phatthana because of his faith and confidence in Gen Chatchai adding he will formally submit his resignation to the Democrat Party in a few days.

Former Nakhon Ratchasima MP Kon Thappharansi was initially expected to take the post of secretary-general but he was instead elected one of Chat Phatthana's deputy leaders.

Mr Prachuap, the former Udon Thani MP, said he felt honoured when Gen Chatchai approached him to join his party after returning from England.

Mr Prachuap said Gen Chatchai's handling of economy before the coup last year, his policy to make Thailand a newly industrialised country and his initiative to transform the battlefields of Indochina into a marketplace for Thai products were praiseworthy.

The Chat Phatthana party has a concrete development policy for the Northeast. Gen Chatchai has won praise worldwide. I am confident his return will help the country regain the confidence of businessmen and foreign investors," he said.

Mr Prachuap said he did not consult with Democrat leader Chuan before making his decision because "it's my right to join ang party."

He said his move to Chat Phatthana doesn't mean that the Democrat Party is not good or that northeastern MPs are not welcome there.

Mr Prachuap said the decision was entirely his own and he didn't know whether other former northeastern MPs in the Democrat Party would follow him.

But he was confident that he would be able to lead at least ten MPs in his faction to Parliament in the elections.

A source close to Mr Prachuap blamed the dominant southern faction in the Democrat Party for his departure. Even at the party general assembly on Monday night, some former southern MPs organised a nude performance by manorah dancers to entertain leaders of provincial branches. Mr Chuan did not even complain about it, the source said.

"It came as a complete shock to Mr Prachuap."

The most recent incident which upset Mr Prachuap was the interference by Mr Chuan after the executive committee had given him the mandate to handle the candidate selection for the Northeast.

"Khun Chuan tried to suggest candidates that Khun Prachuap did not want," said the source.

At a meeting last Monday, the former Udon MP expressed doubts over the Democrat decision to adopt "Mr Chuan for premiership" as the primary theme for the election campaign.

He said people in the Northeast may not want a man from the South as prime minister because many northeasterners who have gone South seeking jobs have often failed to get along with their southern employers.

Mr Prachuap suggested that the best way to woo the Northeast electorate was through a sound party platform and principles, not just its leader Mr Chuan Likphai. Mr Prachuap recently hinted that he may leave the Democrats for another party because three of them had invited him to become their leader while four others asked him to be secretary-general, the source said.

Northeasterners have also voiced support for the formation of a Northeast National Salvation Group, led by Mr Prachuap, the source claimed.

Mr Prachuap was among the first people Gen Chatchai contacted when he returned to Thailand last week, the source said.

Gen Chatchai told him that he wanted to form a new party with himself as an adviser, the source quoted Mr Prachuap as saying. Gen Chatchai wanted former deputy prime minister Phong Sarasin to lead the new party and Mr Prachuap to be its general secretary, the source said.

But Mr Phong was dissuaded from accepting the offer by someone he highly respects, said the source.

Chamlong Admits Popularity Damaged by Uprising

BK1207021692 Bangkok THE NATION in English 12 Jul 92 p A1

[Text] The Phalang Tham Party's candidate for prime minister Maj Gen [Major General] Chamlong Srimuang admitted yesterday his popularity had fallen sharply behind Democrat leader Chuan Likphai's as a result of his role in the pro-democracy demonstration in May.

In a live TV interview with THE NATION Editor in Chief Suthichai Yun on Channel 9 last night, Chamlong said he had anticipated the steep drop in his popularity when he quit the leadership of the Phalang Tham Party on May 9 to lead the street campaigns against former prime minister Gen Suchinda Khraprayun.

"But as a politician I have to sacrifice my own popularity in the interest of the people," he said.

Chamlong was commenting on the results of an opinion poll conducted by the National Institute of Development Administration (NIDA) in the wake of the House dissolution at the end of last month.

The poll showed that Chuan enjoyed the highest rating as the most suitable person to become the country's next prime minister, leaving Chamlong in second place by a wide margin. Chuan was given up to 49 per cent compared to 16.1 per cent for Chamlong.

A total of 1,500 people living in all 36 districts in the capital were questioned in NIDA's poll carried out during June 19-26.

In previous polls, Chamlong stood out as the most popular candidate for premier.

However Chamlong said he was delighted that the popularity rating of his party had risen to be almost on a par with the Democrat Party.

"I am happy that I have managed to transfer public confidence in me into a higher popularity rating for my party, even at the expense of my own," he said.

Chamlong said that people questioned in the survey were inclined not to consider him as a candidate for the premiership because he was no longer leader of a political party.

But he said he was ready to take over as prime minister because the Phalang Tham rank and file recently resolved that he would be the most suitable candidate for the position if the party swept the most House seats in the Sept 13 election.

"Let me reaffirm my previous stand: I have no political ambition. But since the majority in my party consider me to be the most qualified candidate, then I am ready for it," he said.

Chamlong defended his role in the May crisis against criticism by Democrats that he provoked the bloody crackdown on pro-democracy demonstrators by moving them from Sanam Luang on the night of May 17.

He contended that the movement was the third in a series since the mass protest broke out early May.

In the two previous movements, he said, no untoward incident occurred and he did not anticipate that the third would bring about military suppression.

"We had in mind then that the government did not have any policy to deal with us heavy-handedly," he contended.

Chamlong also insisted that he did not have any leading role in the Confederation for Democracy which organied the mass demonstrations.

It was not true that the Democrats voiced objection to the mass movement because none of them participated in the executive committee meetings of the confederation, he said.

"But if they disagreed, then they need not have taken part in the protest. It would have been okay if they had continued digging in at Sanam Luang," he said.

The former Phalang Tham leader said that the disagreement between the Democrats and his party over the May protests as well as the poll results by NIDA would not affect the partnership between the two former opposition parties.

If the Democrats, or other former opposition parties, attacked Phalang Tham candidates, Chamlong said, his party would provide clarification if the criticism was baseless.

Asked how he would have handled the generals involved in the May events if he were prime minister, Chamlong said he would have asked them to move to less powerful posts to assure the public that they would not be in a position to wield influence over the investigations into their roles.

Chamlong's views correspond with the majority of the NIDA poll respondents who agreed that Supreme Commander ACM [Air Chief Marshal] Kaset Rotchananin and Army Commander in Chief Gen Itsarapong Nunphakdi should be suspended from their posts during the investigation by a government committee and a probe panel set up by the Defence Ministry.

Factory Act Requires Higher Standards

BK1007020092 Bangkok THE NATION in English 10 Jul 92 p B2

[By Pichaya Changson]

[Text] The new Factory Act regulations, which took effect yesterday, are the first change made in 23 years since the tenure of former prime minister Marshal Thanom Kitikachon.

The change were approved by the National Legislative Assembly during the Anan I government. The new regulations are aimed at meeting new requirements of industries with tougher measures on environment and safety. They are supposed to reduce state control to only supervision.

The control will only be made to factories which have caused damage to the environment or do not abide by safety standards. Both the civil and criminal penalties have been made tougher.

Factory Act BE2535 carries 68 articles. The first chapter covers factory operations, the second factory supervision and the the third penalties.

Under the law, a factory refers to building, premises or vehicle using machinery with more than five horsepower or enploying more than seven people.

The heart of the first chapter is details from Article Seven to 31 giving power to the industry minister to divide factories into three categories based on degree of supervision to prevent damages or impact to people and environment.

The first category is factories which do not need prior approval for opening. The second is those requiring permission from the authorities to start operations. The third is those required to have factory licences first.

According to the new regulations, the term of the factory licences is extended from three to five years and the private sector could be appointed to inspect the factories on behalf of the authorities. In the second category, the factory owners only need to inform the authorities that they will start production and record evidence of the dates when the requests were made.

For factories in the third category, the authorities can issue a preliminary paper to the factories if the initial examination is satisfactory. This will allow factories to start partial operations or test their equipment.

On the extension of the licences, the factories will be permitted to continue operating while they hand in extension applications until such a time that there should be a rejection. If the authorities found that the factories do not comply with the regulations they will be given time to make corrections at the specific time. If the correction cannot be made then the licences will be revoked.

The factories can appeal to the minister within 30 days of receiving the rejection for licence extension. The ruling of the minister is final. No factories can embark on expansion unless approval is first given.

In cases where factories move from one category to the next, factories must hand in applications within 30 days and the factories can proceed.

The minister can grant waivers to factories to seek licences or permission located on specified industrial estates.

Article 32 specifies the following authority to the industry minister under Cabinet approval in cases involving economic, environment, security and public safety: set the number and size of each factory or type or disallow them from being able to set up in certain areas as well as the quality and types of raw materials which should be set and sources as well as the type of energy. Set the types and quality of products. [sentence as published]

In case anyone is injured in an accident and cannot resume work in 72 hours, the authorities must be informed in writing within 72 hours. The same applies if someone is killed. If an accident occurs and the factory is closed for more than seven days, the authority must be informed within 10 days.

Article 35 specifies that the officials can freeze all assets and documents if there are indications that a factory may cause damage to nearby areas or factories. The investigation can be conducted by officials with ranking from C-4 up. Factories will then be given a period to make correction.

Article 39 allows the permanent secretary for industry or officials authorized by him to temporarily stop work or to close down and make necessary corrections. But an appeal can be made within 30 days to the minister.

In case the damages have to be corrected by the government, the factory owners must pay all expenses plus an interest penalty of 30 per cent. The authorities can use initial funding from the Environmental Fund but the factory owners must repay the money.

All penalities have about doubled. The maximum imprisonment term has been doubled to four years and fine doubled to Bt[baht]200,000 for general factories.

There is also a transition clause allowing firms now submitting requests to use the new regulations.

Investment Board Okays Economic Rules, Projects

BK0907021992 Bangkok THE NATION in English 9 Jul 92 p B1

[Text] The Board of Investment [BOI], chaired by the prime minister, yesterday approved four proposals to help revive the economy, including a plan to cut tariffs in four more categories of machinery imports not included in the reduction last year.

The four measures approved were:

—Improving the efficiency of examination on tariff waiver on raw material imports of promoted firms by letting the private sector handle the inspection. The task which usually takes three days to complete will now be three hours under private sector's responsibility.
—Setting up a subcommittee to help coordinate labour problems faced by promoted firms with other state agencies.
—Expand the period of residential visas for foreigners working here.
—Asking the Finance Ministry to reduce the tariffs on machinery imports in categories 73, 82, 89 and 90 to five percent.

Officials said the proposed tariff cuts will complement the tariff reduction already made in 1991 on machinery in categories 84 and 85, also to five percent.

The categories 73, 82, 89 and 90 consist of testing equipment and moulds. They are mostly used in the electronic, electrical, processing and metal industries.

The present tax rate for most of this equipment is 25-35 percent. The reduction would make Thai exports more competitive.

The reduction on the testing equipment is also seen as helping to improve the quality of Thai products.

The proposed tariff reduction is applicable only to promoted firms. The government wanted to give the same concession to non-listed firms as well but it cannot do so as Parliament had already been dissolved.

Total imports on the four categories will cause a tax loss of about Bt300 million. Sathaphon Kawitanon, BOI's secretary general, said the work on the tax reduction is expected to be completed end of the month.

The four measures are seen necessary to counter the negative image Thailand has faced followed the May 17-20 bloodbath.

Meanwhile, a new subcommittee was set up to help promoted firms handle labour disputes with related state agencies such as the Labour Department. The meeting discussed reasons behind the recent strike at Nawa Nakhon Industrial Estate but failed to reach a conclusion.

Furhthermore, the meeting decided that the residential visa will be extended by another three years from October.

Four major projects were approved yesterday:

—Star Refinery Co, which is owned by Caltex Oil Co, will invest Bt[baht]43 billion in an oil refinery on the Eastern Seaboard.
—Thai Asahi Chemical Co will invest Bt1.5 billion in the production of soda ash, chlorine, potassium hydroxide and potassium hybonate.
—Tips Co, a joint venture between Ngo Hock Co, Mitsui OSK Line and NS Nippon Usen Co, will invest Bt472 million in a loading facility at Laem Chabang deepseaport.
—NH Prosperity Co will invest Bt807 million in an inland container depot at Lat Krabang. The project is also partly owned by Ngo Hock Co.

The Customs Department has reduced tariff rates on seven items to 1-20 percent.

The tariffs on parts and equipment used to produce power supply for computers, wood used in making joss sticks, aluminium hydroxide used in producing alum, safety nets, and contact lenses are reduced to 5-20 percent.

Vietnam

U.S. Company Joins in Pharmaceutical Production

BK1307063092 Hanoi VNA in English 0524 GMT 13 Jul 92

[Text] Hanoi VNA July 13—Ampharco of the United States has signed a joint venture contract with the College of Medicine and Pharmacy in Ho Chi Minh City for the production of special medicines.

For a start, Ampharco will contribute 1 million US dollars to import materials and equipment and to upgrade an existing workshop.

The joint venture will start by making 20 kinds of antibiotics and special medicines for treatment of rheumatism and stomach and cardio-vascular diseases.

A monthly production of 5 millions capsules will make it possible to cut cost by a half compared with imports. The joint venture plans to market in August a new kind of antibiotic for urinary diseases.

Deputy Foreign Minister Meets Australia's Hawke

BK1207151192 Hanoi VNA in English 1406 GMT 12 Jul 92

[Text] Hanoi VNA July 12—Australian ex-premier R.J.L. Hawke arrived here on July 8 for a week-long visit to Vietnam. While here, Mr. Bob Hawke and his party paid tribute to President Ho Chi Minh at his mausoleum and visited his home and office. He was received by Vice-Chairman of the Council of Ministers Nguyen Khanh.

In his meeting with Deputy Foreign Minister Vu Khoan, the two sides exchanged views on bilateral questions as well as the world and regional situation and measures to promote friendship and cooperation between the two countries in the coming period. Mr. Bob Hawke and his party also paid working visit to the state committee for cooperation and investment, the state science committee, the Ministry of Communications, Transport and Post, the Construction Ministry, the State Bank, the Heavy Industry Ministry, the Ministry of Trade and Tourism, and other state offices. They left Hanoi for Ho Chi Minh City today.

Membership in ASEAN, Role in Spratlys Viewed

BK1107043792 Bangkok THE NATION in English 11 Jul 92 p A6

["Abridged version" of paper by Kawi Chongkitthawon presented at a conference on Asia-Pacific relations held in Kuala Lumpur on 6 Jul]

[Text] Despite its enthusiasm to integrate with ASEAN, Vietnam is likely to face many obstacles along the way. Apart from a reluctance inside ASEAN, the grouping has to reckon with a more assertive China, the region's mammoth northern neighbour.

Intensified quarrels between China and Vietnam over the disputed Spratly Islands, which will certainly lead to the worsening of their ties, could have wider ramifications for the region and Hanoi's efforts to be part of ASEAN.

Before Vietnam's decision to accede to the Treaty of Amity and Cooperation late last year, it had been trying for years to probe and understand ASEAN. In private, top Vietnamese Foreign Ministry officials admitted that their country had problems relating to the non-communist and economically dynamic ASEAN as an entity. They said Hanoi was more capable in handling individual countries, as witnessed by progress made in bilateral negotiations with each ASEAN member.

As late as February 1990, then foreign minister Nguyen Co Thach was still calling for the creation of a new regional organization that would incorporate the two blocks—ASEAN and Indochina. Thach reiterated that ASEAN cooperation with Vietnam should be aimed at countering the region's "hegemonist"—the reference Thach used to refer to China. Now Thach has gone, but Vietnam's fear has not.

Vietnam has dropped the idea of two-block integration. Instead, Hanoi has opted to become a part of ASEAN. This approach was accentuated in a political report adopted at the Seventh Party Congress last year. Laos has adopted a similar position towards ASEAN. At the 25th ASEAN ministerial meeting, Laos will also enjoy the same status as Vietnam while Cambodia awaits a post-election government before acceding to be treaty.

Hanoi's new approach is the outcome of careful calculation. Without being identified with ASEAN, Vietnam could never face the challenges of China's longer position in the region. While courting ASEAN, Vietnam's interest in restricting China's influence in Southeast Asia remains a key foreign policy objective.

Since last year, Vietnam's policy-makers have realized the best way to improve ties with ASEAN would be to tackle the most urgent problems in their relations. Although the Cambodian peace settlement remained high on the priority list, the fate of boat people was usually a crucial issue. Hanoi, in an international effort (which it has been given credit for), continues to work towards a comprehensive settlement, and the country has moved quickly to settle the refugee problem with ASEAN.

Hanoi's success in negotiating the agreement with the British government to repatriate Vietnamese boat people from Hong Kong was a milestone. It enabled Vietnam to take back over 10,000 refugees without losing face. The repatriation has continued with an increasing number of refugees settled through an integrated approach with UN assistance. It was after the first batch of boat people were settled in the Haiphong and Ho Chi Minh City areas early last year that Vietnam began to discuss with the ASEAN countries ways to accelerate the repatriation of its boat people.

Prior to that, Vietnam utilized Thailand's policy of turning the Indochinese battlefield into a marketplace. Indeed, Vietnam hoped Thai foreign policy under former Prime Minister Chatchai Chunhawan could be accepted by ASEAN and turned into the regional grouping's new rallying point. That did not come about because ASEAN failed to support the Thai position.

After the Paris peace agreement was signed last October, however, ASEAN countries began to normalize their ties with Vietnam with vigour. Within a few months, Malaysia and Singapore were emerging as the ASEAN forerunners. Before that, Thailand and Indonesia were active in the Cambodian political process and in economic ties. But their pre-Cambodian settlement efforts have not translated into economic success.

Vietnamese leaders are now hoping that with its accession to the Treaty of Amity and Cooperation in Manila this month, Vietnam's membership into ASEAN could be quickened. But for the time being, ASEAN has not made that commitment. ASEAN leaders have said that being a signatory to the treaty does not automatically mean eventual ASEAN membership, but only signifies the first step toward that direction. So far, Malaysian Prime Minister Mahathir Mohamad was the most optimistic in welcoming Vietnam's integration into ASEAN, which he said would take place within the next five years.

Vietnam uses the rationale that in order to establish closer ties with ASEAN, it has to nurture the desire to integrate economically with the regional grouping. However, this endeavour carries political connotations. In Hanoi's view, Vietnam and the rest of Southeast Asia share a common view—the fear of China. To reach that stage of consensus or political cooperation, it is a prerequisite for Vietnam to move closer to ASEAN in economic cooperation first.

ASEAN is still reluctant to have Vietnam as a member now for fear that it would disturb ASEAN's intramural economic cooperation. This sentiment could be compounded further by other external factors. Any effort to put Vietnam beyond the signatory status of the Treaty of Amity and Cooperation, without progress on the normalization of US-Vietnamese relations or China's support of Hanoi, could pose a problem. ASEAN's attitude toward Vietnam would also influence Vietnam's future status in Asia-Pacific economic cooperation.

If Vietnam's strong reaction against China over a US-Chinese agreement on oil exploration in the disputed Spratlys is any indication, the seven-month old Sino-Vietnam normalization is still very shaky. Hanoi wants Beijing to rescind the agreement signed in May with the Denver-based Crestone Energy Corporation, claiming the area that would be used for oil exploration actually lies on Vietnam's continental shelf, which forms the basis of Hanoi's claim of sovereignty over the Spratlys.

The quarrel underscores remaining serious problems between the two Asian communist nations that will have ramifications for the peace and stability of the region.

Besides China and Vietnam, four other countries have claimed ownership rights to the Spratlys. While concerned claimants have agreed to resolve the disputed islands through dialogue and peaceful negotiations, no one actually believes that could be done in the foreseeable future. Indeed, claims and counterclaims at a time when there is no established mechanism for dialogue are not conducive to confidence-building measures in the area.

While they are paying lip service to negotiations, the six claimants continue to reinforce either through their claims of sovereignty or beef up their physical military presence. Indeed, the claims made by China and Vietnam are the most ferocious and dangerous because they could potentially lead to military conflicts and destabilize the region. At this juncture, the lack of a mechanism overlooking all concerned parties and commercial transactions could lead to a breakdown of tolerance and eventually a conflict. Realizing this weakness, claimants such as the Philippines, Vietnam and Malaysia have already agreed to jointly develop the disputed areas.

Sino-Vietnamese relations were normalized last year after they were broken in 1979, but their future now hangs in the balance. Vietnam's strong protest against the oil deal indicates dissatisfaction which could complicate their ties. When Chinese Communist Party chief Jiang Zemin and his Vietnamese counterpart Do Muoi met last November, they agreed to settle their territorial disputes through peaceful negotiations and pledged to do nothing in the meantime to complicate the situation.

But in March this year, the Chinese legislature passed a territorial waters law which states that Beijing has sovereignty over all the Spratly islands, the Paracel Islands, and the Diaoyutai Island (also jointly claimed by Japan and Taiwan) and would use force to resist "encroachment" on the islands' waters. With China moving aggressively to reinforce its sovereignty rights, Vietnam is being forced to adopt a tougher position. Under such circumstances, it is doubtful whether remaining bilateral problems such as the Chinese community in Vietnam and the dispute over Sino-Vietnamese demarcation lines can be resolved.

The state of Sino-Vietnamese ties is one determining factor that will influence the region. Viewed from this angle, China's decision to award the oil exploration contract in the Spratlys to a US company did say something about China's attitude to Vietnam's relations with Southeast Asia. In more than one way, Beijing's move could be aimed at testing the new-found rapport between Vietnam and ASEAN.

Some Vietnamese diplomats have expressed disappointment that ASEAN countries have not responded to the Chinese action, which Hanoi views as a deliebrate attempt to undermine regional stability. In comparison, when the Chinese legislature passed the territorial law in March, criticism was heard from Japan and all over Southeast Asia.

Vietnam has also expressed concern over China's plan to build up its navy. In December 1989, China announced a naval buildup program extending to the year 2050 that would include the building of nuclear-powered submarines and aircraft carriers. Hanoi believes that China's rapid naval buildup came about because of the easing of tension between the former Soviet Union and China which enabled China to drastically reduce its ground forces and tranfer surplus funds to the naval program.

At a meeting in Indonesial last month, claimants to the disputed Spratlys agreed to hold a dialogue and negotiate through peaceful means. But behind that verbal commitment, they are consolidating and strengthening their own positions. For one thing, Vietnam is hoping that its accession to the treaty will put ASEAN on its side in future dsputes.

Without ASEAN reacting towards China's position in the Spratlys, Vietnam fears China will continue to reinforce its position on sovereignty at the expense of other countries. Although Vietnam believes that China would not resort to using arms as it did in 1988—at least not until the return of Hong Kong in 1997—Hanoi's leaders are confident China will continue its current policy on the Spratlys.

Phan Van Khai Receives Soviet Fishery Delegation

BK1107100792 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 9 Jul 92

[Text] At the invitation of the SRV Minister of Marine Products, Comrade V.F. Korensky, head of the Fishery Commission of the Ministry of Agriculture of the Russian Federation, visited Vietnam from 3-8 July.

During his stay, Comrade Korensky visited the Ho Chi Minh Mausoleum and a number of production and business establishments. He also had working sessions with the marine products research centers in Hanoi, Haiphong, and Ho Chi Minh City.

Comrade Korensky informed Vietnamese officials that the Russian Federation Government will continue to honor the commitments of the fishery cooperation with Vietnam as stipulated in an agreement signed between the former Soviet Union and Vietnam on 27 December 1978.

Comrade Nguyen Tan Trinh, Vietnamese minister of Marine Products, and Comrade V.F. Korensky, signed an aide memoir on further fishery cooperation between the two countries. They also attended the 12th conference of the Vietnam-Russia Joint Fishery Committee.

On 8 July, Phan Van Khai, first vice chairman of the Council of Ministers, cordially received and held talks with Comrade Korensky in Ho Chi Minh City.

Vice Chairman, Delegation Visit Udmurtia

BK1207145192 Hanoi VNA in English 1406 GMT 12 Jul 92

[Text] Hanoi VNA July 12—A Vietnamese Government delegation led by Tran Duc Luong, vice chairman of the Council of Ministers, paid a visit to the Republic of Udmurtia in the Russian Federation on July 10 and 11.

In Izhevsk, capital of the republic, Vice Chairman Tran Duc Luong was received by V.K. Tubylov, president of the Supreme Soviet of Udmurtia and had a working session with V.A. Solovikov, first vice-chairman of the Council of Ministers.

The two sides expressed the desire to promote friendship and multiform cooperation in the framework of the relations between the Socialist Republic of Vietnam and the Russian Federation, especially in economy and trade. The two governments will create conditions for economic establishments, businessmen, producers, and technologists of Vietnam and Udmurtia to establish direct relations in appropriate forms in order to better exploit the economic potentials of each country in accordance with the economic and trade exchanges protocol signed in Hanoi recently. They also discussed steps to establish and expand bilateral cooperation in culture, science, healthcare, and tourism.

Tran Duc Luong on Relations With Russia

BK1007091392 Moscow Radio Moscow in Vietnamese 1100 GMT 8 Jul 92

[Interview With SRV Council of Ministers Vice Chairman Tran Duc Luong by station observer (Aleksey Lankov) in Moscow "last week"—portions recorded]

[Text] Dear listeners: Of late, there have been differing views in our two countries over the prospects of the economic and trade relations between Russia and Vietnam. This is an interesting subject because it took half a year for our two countries to sign in Moscow last week some documents on their economic cooperation for 1992.

I had the honor of interviewing Vietnamese Council of Ministers Vice Chairman Tran Duc Luong on Radio Moscow about his impressions of the Russia-Vietnam economic and trade relations. The vice chairman said:

[Begin Tran Duc Luong recording] With the reforms now taking place in Russia and Vietnam, the economic and trade agreement signed between the two countries in July 1991 [as heard] shows that we should build the economic and trade relations between the two countries on a new basis, namely, on the basis of equality and mutual benefit, and within the framework of international law on trade relations. Fortunately, between our two countries, we still maintain the traditions of friendship and cooperation. For a long period of time now, we have developed our close relations and sentiments not only with Russia but also with many other members of the Commonwealth of Independent States. We think that having understanding of each other's thinking, cultural traditions, and those sentiments built up earlier is a valuable asset that we should preserve. [end recording]

I also asked Vietnamese Council of Ministers Vice Chairman Tran Duc Luong about Vietnam's particular interests in the Russian market and about the advice Vietnam might have for Russia. Mr. Tran Duc Luong said:

[Begin Tran Duc Luong recording] As for the Vietnamese side, we have a great demand for imports from Russia because Russia is an exporter of equipment and materials and is also a powerful industrialized country with much scientific and technological expertise. On the other hand, initial economic results show that Vietnam's exports have become more diversified and that its export output is remarkable. We hope that a a common approach will be found for developing the mutually beneficial economic and trade cooperation between our two countries on an ever-larger scale. It is certain that the prospects of cooperation between the two countries will be attractive as both sides have been well informed of each other's situation and market. [end recording]

Vo Van Kiet Visits Institute of Social Sciences

BK1307080792 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 28 Jun 92

[Text] On the evening of 26 June, Council of Ministers Chairman Vo Van Kiet paid a visit to the Vietnam Institute of Social Sciences, where he worked with the institute on matters relating to social science research activities. Earlier, Chairman Vo Van Kiet also paid a working visit to the Institute of Chinese-style Vietnamese Cryptographic Script, which is subordinate to the Vietnam Institute of Social Sciences.

The chairman was warmly welcomed by Prof. Dr. Nguyen Duy Quy, member of the Party Central Committee and director of the Vietnam Institute of Social Sciences; Prof. Le Viet Dang, director of the Institute of Ethnology; Prof. Ha Van Tan, director of the Institute of Archaeology; Prof. Hong Phong, director of the Institute of History; and many other professors and research cadres. He was also briefed by these professors on the development, scientific achievements, research activities, and favorable conditions and difficulties of their respective institutes.

Addressing the scientists at a working session, Chairman Vo Van Kiet touched on the country's basic and pressing problems against a backdrop of the current changes in the world situation that should be illuminated with the help of the institute of social sciences in general and institutes of ethnology, archaeology, and history in particular. He said:

The magnitude of national history, culture, and civilization in Vietnam and the close link between man and national history, culture, and civilization constitute an extremely important factor in achieving socioeconomic development and national defense with substantially great hidden motives.

Establishing or strengthening contacts and cooperation with the world for the sake of development is one of the objective and essential tendencies. However, durable and effective development cannot be achieved if contacts with the world are established without taking into consideration the need to preserve the essence of national culture and inherit and develop the strength of the historic traditions of our ancestors.

This affirms the important role and position of ethnological, archaeological, and historical research work.

Visits Heads of War Invalid Firms

BK1307084592 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 28 Jun 92

[Text] On the occasion of the 45th annual day on 27 July of the war invalids and war dead, Council of Ministers Chairman Vo Van Kiet on the morning of 28 June met and exchanged views with the comrade directors of war invalid-operated enterprises in Hanoi on the production activities and living conditions of war invalids working at these enterprises.

Also present were Comrade Pham The Duyet, secretary of the municipal party committee; Comrade Tran Dinh Hoa, minister of labor, war invalids, and social welfare; Comrade Dinh Hanh, vice chairman and standing member of the municipal people's committee; and some other ministers and deputy ministers.

There are now 10 enterprises and two production establishments run by war invalids and crippled people with more than 5,000 laborers, of whom war invalids account for more than 13 percent while the rest are mostly wives and children of fallen soldiers or war invalids.

In general, these enterprises and production establishments have now been able to adapt themselves to the new mechanism and determine their production plans, while their products are acceptable to the market and their incomes are relatively good.

The comrade directors of the war invalid-operated enterprises told the comrade chairman that it is the desire of almost all war invalids to be allowed to take part in production so as to help minimize difficulties for their families and society.

Chairman Vo Van Kiet said: It is necessary to set forth guidelines for the organization, production, and business operation of war invalid-operated enterprises with a spirit of continuing to expand all production establishments, be they state-run, joint venture, or share-holding corporations. Based on these guidelines, we must determine various suitable models of production, invest in the purchase of new equipment, and select production plans and markets to ensure that production is expanded immediately in every enterprise. This is aimed at employing more laborers, inluding war invalids who are still capable of taking part in production, and children of war invalids, fallen soldiers, and those having rendered services to the country.

Ceremony Awards Gold Star Orders to Advisers

BK1207045292 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 25 Jun 92

[Report on 25 Jun Hanoi ceremony conferring Gold Star Order on Nguyen Van Linh and Vo Chi Cong, advisers to the Communist Party of Vietnam Central Committee—portions recorded]

[Summary] "This afternoon, 25 June, the Council of State held a solemn ceremony at the presidential palace to confer the Gold Star Order, the highest distinction of our party and state, to Comrade Nguyen Van Linh, advisor to the Communist Party of Vietnam [CPV] Central Committee and Comrade Vo Chi Cong, chairman of the Council of State and advisor to the CPV Central Committee."

Attending this ceremony were "Comrade Do Muoi, general secretary of the CPV Central Committee; Pham Van Dong, advisor to the CPV Central Committee; Vo Van Kiet, member of the Political Bureau and chairman of the Council of Ministers; Le Quang Dao, chairman of the Eighth National Assembly and vice chairman of the Council of State"; and all the present and former members of the Political Bureau and representatives of various departments and branches of the party, of the Council of Ministers, and of the Vietnam Fatherland Front Central Committee.

Over the past 60 years, our country's revolution has gone through countless ordeals and hardships and has scored many glorious victories. In this hard struggle, many outstanding sons of the party and the nation have devoted their lives to the glorious revolutionary undertaking of the country.

"Amid a solemn and emotional atmosphere, on behalf of the Council of State, Comrade Nguyen Viet Dung, general secretary of the Council of State, read the Council of State decision conferring the Gold Star Order on Comrade Nguyen Van Linh and Comrade Vo Chi Cong."

Prior to pinning the Gold Star Order on Comrade Nguyen Van Linh and Comrade Vo Chi Cong, on behalf of the CPV Central Committee, Comrade General Secretary Do Muoi said:

[Begin Do Muoi recording] "We are gathered here today to warmly congratulate Comrade Nguyen Van Linh, adviser to the CPV Central Committee and former general secretary of the CPV Central Committee; and Comrade Vo Chi Cong, adviser to the CPV Central Committee and chairman of the Council of State, on their being awarded with the Gold Star Order, the highest distinction of our state.

"Comrade Nguyen Van Linh and Comrade Vo Chi Cong are two veteran cadres of our party and outstanding disciples of President Ho Chi Minh. The revolutionary life of the two comrades has been closely linked with the revolutionary undertaking of the party and the nation over the past half a century or more.

"Together with the Political Bureau and the CPV Central Committee, these two comrades have made great contributions to leading our people to the victory of the struggle for national liberation and for socialist construction along the path chosen by Uncle Ho and our people.

"We should learn from the examples set by Comrade Nguyen Van Linh and Comrade Vo Chi Cong on their persistence, steadiness, and creativity in leading the country.

"Today, our country is enjoying new opportunities and great ordeals. We are convinced that in their capacity as advisors to the party Central Committee, Comrade Nguyen Van Linh, Comrade Pham Van Dong, and Comrade Vo Chi Cong will, together with our party Central Committee, lead our entire party, army, and people to surmount all difficulties in achieving successes in socialist construction and national defense.

"On behalf of the CPV Central Committee, I wish Comrade Nguyen Van Linh and Comrade Vo Chi Cong good health.

"My warm congratulations to the two comrades." [applause] [end recording]

Afterward, Comrade Vo Chi Cong, on behalf of the Council of State and Comrade Le Quang Dao, chairman of the Eighth National Assembly and vice chairman of the Council of State, respectively pinned the Gold Star Order on Comrade Nguyen Van Linh on Comrade Vo Chi Cong.

In his reply speech, Comrade Nguyen Van Linh said:

[Begin Nguyen Van Linh recording] "I am fortunate to be here today among the few surviving revolutionary cadres while others have departed us. Thanks to my small contributions to the victory of the Vietnamese revolution, today I have had the honor of being awarded the Gold Star Order, the highest distinction. I am moved by this event because it has reminded me of countless comrades-in-arms who have sacrified their lives and of the many comrades who have one after another awarded the Gold Star Order.

"I would like to thank all the leading comrades and all those present today for this honor." [applause] [end recording]

Comrade Vo Chi Cong also gave his impressions. He said:

[Begin Vo Chi Cong recording] "Just as what Comrade Nguyen Van Linh said, today I am deeply moved to have received the Gold Star Order, the highest distinction of the party and the state, that you, comrades, have conferred on me. It is a great honor for me to receive this award. I would like to express my deepest gratitude to the comrade general secretary, the Council of State, and those comrades representing the party, the state, and the people for the fine sentiments they have reserved for me.

"Although with many advantages, the socialist revolution in our country at present has been faced with not inconsiderable difficulties and complexities. Together with the entire party and people, I pledge to contribute to carrying out comprehensive renovation in the country so as to build a peaceful, unified, independent, democratic, prosperous, and powerful Vietnam as desired by our esteemed Uncle Ho.

"Once again, I would like to thank the comrade general secretary and other comrades and wish the comrade general secretary all other comrades present good health and happiness." [applause] [end recording]

The ceremony concluded with all those present toasting to the health of Comrade Nguyen Van Linh and Comrade Vo Chi Cong.

Minister on Execution of Family Planning Program

BK1007151792 Hanoi VNA in English 1359 GMT 10 Jul 92

[Text] Hanoi VNA July 10—Mr. Mai Ky, a cabinet minister in charge of the Population and Family Planning Programme (PFPP), warned that Vietnam's population would be 73 million in 1995 and would exceed 80 million by the end of this century if the growth rate continues at the present levels.

In an exclusive interview with the VIETNAM INVESTMENT REVIEW Mr. Mai Ky said that to reach the targets in the reduction of the population growth rate, appeals and awareness campaigns are no longer sufficient even though this was still important for the community to better understand the inter-relationship between population, the environment and the economic health of the country.

He made known that the government has earmarked 40 billion dong for population activities in 1992.

Since 1991, these activities have been undertaken at all levels under three programmes, namely programme VDS/01 on 'raising management capacity', programme VDS/02 on 'raising effectiveness of family planning services' and programme VDS/03 on 'raising effectiveness of information, education and communications'.

The overall targets of the PFPP from now to the century-end are 'reduction of average number of children of a woman in productive age to 2.8 or 3, reduction of birth rate to below 25 per thousand, increase of the rate of couples using contraceptives to 55 per cent and reduction to population growth rate to 1.8 per cent and less, all this with the aim of keeping the nation's population under 80 million by the year 2000.

The PFPP will focus firstly on the three regions where birth rate remains very high, viz. The mountain areas and midlands in north Vietnam where it still stands at 2.8 percent per year, the central Vietnam highlands (5.6 percent) and the eastern part of south Vietnam (2.7 percent).

In the past two years, Vietnam has trained nearly 200 population activity cadres and expanded the system of information gathering to 150 villages in the whole country.

Mai Ky said that in this domain, Vietnam has received effective assistance from the UN Fund for Population Activities (UNFPA) which provided 51 million USd for the period from 1977 to 1991.

An important part of this aid has been used to expand population education. From 1992 to 1996 UNFPA will provide an additional 25 million USd. Another 11 million USd is being sought by Vietnam and UNFPA from international organizations.

Beside aid from UNFPA, Vietnam has received assistance from the United Nations Children's Fund (UNICEF), the UN Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO), the Swedish International Development Anthority (SIDA), the International Planned Parenthood Federation (IPPF), and the International Family Planning Association (IFPA).

Mr. Mai Ky further made known that during his meeting with an expert group of Germany which visited Vietnam recently, Germany has pledged an aid of five million dm to Vietnam's population and family programme for the period from 1992 to 1995.

Vietnam is also closely cooperation with Indonesia and Thailand in population and family planning activities.

Mai Ky stressed that a national population census is planned for 1994 which is to serve both the population and family planning programme and the long-term social and economic development.

Hanoi's Economy Picks Up in First Half-Year

BK1107074892 Hanoi VNA in English 0629 GMT 11 Jul 92

[Text] Hanoi VNA July 11—Hanoi's industrial output value increased by 13.4 percent (19.4 percent for heavy industry) in the first half of 1992 compared with the corresponding period last year, it was reported at a recent session of the Hanoi People's Council, some industrial products recorded substantial increases: processed food by more than 80 percent, textile, leatherware, garments and construction materials by 33-55 percent, etc. In particular, the non-state industrial sector which had been in a continuous slump over the past three years posted a 10 percent increase in output value.

The session decided that the latter half of 1992 more floating capital will be supplied to the profitable enterprises and a number of industrial or handicraft cooperatives will be converted into joint-stock cooperatives.

Report Upbeat on Prospects of Rice Export in 1992

BK1107153792 Hanoi VNA in English 1526 GMT 11 Jul 92

[Text] hanoi VNA July 11—Over the last three years, Vietnam has not only produced sufficient rice for the needs of its own population of over 60 million, but also have had some surplus for export.

In 1989, the first year when state subsidisation began to give way to a market economy, Vietnam exported 1,4 million tonnes to become the third largest rice exporter in the world. Then in the next two years - 1990 and 1991 - between one and 1.5 million tonnes were shipped abroad. In the first half of this year, rice exports reached 700,000 tonnes.

Vietnam's export rice has increaded in both quality and quality. The percentage of high quality rice rose from 14 percent in 1990 to 38 percent in 1991, and 65 per cent this year.

This year, lucrative prospects await business circles in the trade. Among the many reasons are: bumper crops reported by farmers, a proper government policy regarding the cultivation and purchase of ice, a stabilised system of rice agencies, an increase in the number of foreigh outlets for Vietnamese rice, the stabilisation of both the dollar and gold, and last but not least, a regulation of the rice market at home on a macroscale. It is, therefore, to be hoped that Vietnam's rice will be available in larger quantities on the world market.

Phan Van Khai Addresses Debt Solvency Meeting

BK1207131392 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 8 Jul 92

[Text] On 7-8 July in Ho Chi Minh City, the Central Debt Solvency Department held a meeting to review its work in Southern provinces. Comrade Phan Van Khai, standing vice chairman of the Council of Ministers addressed the meeting. The meeting delegates also heard a letter from Comrade Vo Van Kiet, chairman of the Council of Ministers and head of the Central Debt Solvency Department, reports on the first stage of the debt solvency work, and plans for the second stage of the work.

Addressing the meeting on behalf of the Council of Ministers and the chairman of the Council of Ministers, Comrade Phan Van Khai said that in the second stage, we have to resolve a great number of complicated debts in bankrupt enterprises. Therefore, the second stage must achieve there requirements: dealing with, finding a solution to, and preventing bad debts. To correctly deal with these debts, we have to clearly establish the causes and responsibilities regarding bad debts. We have to correctly investigate debts and laws must be strictly applied so that we can prevent the occurrence of more bad debt, improper business practices, and delays in loan payments.

In order to create the legal basis for the implementation of the debt solvency policy, the chairman of the Council of Ministers instructed the Ministry of Justice, the Ministry of the Interior, state economic arbitrators on the issue, and requested that the Supreme People's Court and the Supreme People's Organ of Control coordinate with the Central Debt Solvency Department in issuing legal documents on bankruptcies, mortgages, guarantees, and liquidations to define the liabilities of the parties involved in various enterprises. The Ministry of Finance is to coordinate with the Vietnam State Bank in issuing instructions to state enterprises on the granting and utilization of capital, and to compensate losses resulting from debt insolvency.

Comrade Phan Van Khai stressed that work in the second stage will be formidable and complicated, involving much work involving both financial and administrative measures. But we have gained some experiences and fine results from the first stage. The second stage is beginning as our national economy develops and becomes more stable. Furthermore, people's confidence in the party and state leadership is increasing. With these favorable conditions, if the Central Debt Solvency Department is further strengthened and acts more urgently with greater cooperation from all levels of government, we will certainly complete the second stage of debt solvency in conformity with the outlined requirements.

Province Badly Hit by Torrential Rains, Floods

BK1107154392 Hanoi VNA in English 1526 GMT 11 Jul 92

[Text] Hanoi VNA July 11—Torrential rains and floods in early July caused great damage to the food crops and property of the people in Thong Tho and Muong Lay districts and Lai Cau provincial town (the northern province of Lai Chau).

According to initial reports 350 ha of rice were submerged, 24 houses washed away and a number of irrigation works and portions of road damaged. The losses were estimated at 4.5 billion dong.

Twenty one persons were reported dead in Typhoon Chuck that hit Vietnam late June. In the central province of Quang Ngai alone, 11 fishermen were dead, and 87 others missing.

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